

# BAILLIE GIFFORD US GROWTH TRUST plc

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In search of  
exceptional growth



Interim Financial Report  
30 November 2020





## Objective

Baillie Gifford US Growth Trust plc seeks to invest predominantly in listed and unlisted US companies which the Company believes have the potential to grow substantially faster than the average company, and to hold onto them for long periods of time, in order to produce long-term capital growth.

## Comparative Index

The index against which performance is compared is the S&P 500 Index total return (in sterling terms).

## Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, unlisted investments, investment strategy risk, discount risk, regulatory risk, custody and depositary risk, operational risk, leverage risk and political and associated economic risk. An explanation of these risks and how they are managed is set out on pages 5 and 6 of the Company's Annual Report and Financial Statements for the year ended 31 May 2020 which is available on the Company's website:

[www.bgusgrowthtrust.com](http://www.bgusgrowthtrust.com).

The principal risks and uncertainties have not changed since the date of that report with the exception of the ongoing situation regarding Covid-19. The Board and Managers continue to review the portfolio for the potential impact of the pandemic. The business continuity arrangements of the Managers and other third party service providers have proven robust with operations continuing largely as normal.

## Responsibility Statement

We confirm to the best of our knowledge that:

- a) the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';
- b) the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- c) the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board  
Tom Burnet  
Chairman  
15 January 2021

## Summary of Unaudited Results\*

	30 November 2020	31 May 2020	% change
Total assets (before deduction of borrowings)	£810.3m	£490.8m	
Borrowings	£18.7m	£14.6m	
Shareholders' funds	£791.6m	£476.2m	
Net asset value per ordinary share (after deducting borrowings at fair value)‡	279.88p	181.92p	53.8
Net asset value per ordinary share (after deducting borrowings at book value)	280.01p	181.92p	53.9
Share price	285.00p	189.00p	50.8
Comparative index (in sterling terms)‡#			11.1
Premium (after deducting borrowings at fair value)‡	1.8%	3.9%	
Premium (after deducting borrowings at book value)‡	1.8%	3.9%	
Active share (relative to S&P 500 Index)‡	91%	91%	
Number of shares in issue	282,715,000	261,765,000	
Market capitalisation	£805.7m	£494.7m	

	Six months to 30 November 2020	Six months to 30 November 2019
Revenue earnings per share	(0.80p)	(0.48p)

Period's high and low	Six months to 30 November 2020		Year to 31 May 2020	
	High	Low	High	Low
Net asset value per ordinary share (after deducting borrowings at fair value)‡	279.88p	180.03p	183.04p	117.42p
Net asset value per ordinary share (after deducting borrowings at book value)	280.01p	180.03p	183.04p	117.42p
Share price	286.00p	189.00p	192.00p	115.00p
Premium/(discount) (after deducting borrowings at fair value)‡	10.7%	(5.3%)	13.3%	(8.4%)
Premium/(discount) (after deducting borrowings at book value)‡	10.6%	(5.3%)	13.3%	(8.4%)

### Notes

\* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 19 and 20.

† S&P 500 Index total return (in sterling terms). See disclaimer on page 23.

# Source: Refinitiv and relevant underlying index providers. See disclaimer on page 23.

‡ Alternative Performance Measure, see Glossary of Terms and Alternative Performance Measures on pages 19 and 20.

Past performance is not a guide to future performance.

## Summary of Unaudited Results\*

	30 November 2020	23 March 2018 †	% change
<b>Performance since inception</b>			
Net asset value per ordinary share (after deducting borrowings at fair value)‡	279.88p	97.96p	185.7
Net asset value per ordinary share (after deducting borrowings at book value)	280.01p	97.96p	185.8
Share price	285.00p	100.50p	183.6
Comparative index (in sterling terms)†#			56.2

### Notes

\* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 19 and 20.

† S&P 500 Index total return (in sterling terms). See disclaimer on page 23.

# Source: Refinitiv and relevant underlying index providers. See disclaimer on page 23.

‡ Alternative Performance Measure, see Glossary of Terms and Alternative Performance Measures on pages 19 and 20.

† Close of business on 23 March 2018.

Past performance is not a guide to future performance.

# Interim Management Report

## Investment Performance

During the period from 23 March 2018, launch date and first trade date, to 30 November 2020, the Company's share price and NAV (after deducting borrowings at fair value) returned 183.6 per cent. and 185.7 per cent. respectively. This compares with a total return of 56.2 per cent. for the S&P 500 Index\* (in sterling terms). During the six months to 30 November 2020, the Company's share price and NAV (after deducting borrowings at fair value) returned 50.8 per cent. and 53.8 per cent. respectively. This compares with a total return of 11.1 per cent. for the S&P 500 Index\* (in sterling terms). We have a long term approach and would ask shareholders to judge performance over periods of five years or more.

## Portfolio

After a long and bleak year, we have entered 2021 with light at the end of the tunnel. Countries around the world are starting to vaccinate their populations. The number of people whose immune systems are primed to fight coronavirus is growing each day. We must not get complacent, and there is still a long road ahead, but there is a chance that we are now at the beginning of the end of the pandemic. We have science to thank for this. Vaccine development has traditionally taken years. There are many infectious diseases where there is still no vaccine available (e.g. HIV). The coronavirus vaccines have been developed in little under a year. Importantly, these vaccines are highly efficacious. It has been a huge effort which has required co-ordination amongst many parties. As well as capital and will, modern science has been an important catalyst for this breakthrough. One of the biotechnology companies which has been at the forefront of this development is Moderna. We have held it in the Trust since its IPO in 2018. The coronavirus vaccine is Moderna's first commercial product. Its approval has important read-across for the Moderna's drug development platform more broadly.

For decades drug discovery has largely been a process of trial and error. Our understanding of disease pathways has been relatively limited. Even in cases where diseases have been well understood we have had few tools with which to intervene. This has led to low success rates. Furthermore, in the traditional drug development model outcomes are independent of one another. Success with one drug tells you nothing about the probability of success with the next. But we may be entering a new era for drug development. An era of repeatable platforms, where success begets success. A cohort of biotechnology companies are emerging which are built upon foundational technologies which may be reusable across multiple diseases and disease categories. We think Moderna could be one such company.

Moderna makes drugs based on mRNA. mRNA is the intermediary molecule between our DNA, the blueprint of our body, and proteins, the functional units of our body. DNA makes RNA, and RNA makes protein. mRNA is an exciting drug candidate because, just like our DNA, it is 'digital' in nature. It is comprised of just four distinct building blocks, called bases. These bases can be combined in sequence to form long strings of mRNA code. These strings can then be delivered into cells to produce almost any chosen protein, human or non-human – for example the coronavirus spike protein. In other words, mRNA enables us to programme cells.

Moderna's success has not come easy. The work on coronavirus last year is the tip of the iceberg. The company has been investing in its mRNA platform for over a decade. It has had to overcome challenges with drug stability, delivery, and expression. However, now that these challenges have been solved in coronavirus, the learnings ought to be transferrable to the next vaccine that Moderna develops. This does not guarantee success by any means, but it makes the chances higher. Once Moderna has a DNA sequence of a protein to work on, it can be up and running with clinical trials in a matter of weeks. We are moving from a world of spaghetti at the wall drug development to something more akin to industrial manufacturing.

## Interim Management Report (continued)

These developments would not have been possible without commensurate progress in our understanding of the molecular basis of disease. Techniques like low-cost whole-genome sequencing, which was pioneered by portfolio holding Illumina, have helped build our knowledge of the DNA that serves as the blueprint of life. More recently, Google's AI division DeepMind achieved a breakthrough in the field of protein folding. By using an AI-powered programme called AlphaFold, DeepMind was able to predict the 3D structure of a protein to a high degree of accuracy by just looking at the protein's corresponding DNA sequence. This problem has vexed scientists for half a century. Only a tiny fraction of protein structures have been solved. DeepMind achieved what experts thought would take another decade in two years. This breakthrough has the potential to drive a step change in our understanding of biology.

Healthcare is not the only sector which has seen major breakthroughs recently. In the energy sector, there has been an acceleration in the shift towards electric vehicles. Alternative energy sources such as solar have continued their march down the cost curve. Increasingly, they are competitive with carbon-based fuels. They are only going to get cheaper from here. And energy storage costs are falling too. At its recent battery day, Tesla mapped out a path to a further halving in battery costs. The way we produce, store, and consume energy is changing rapidly. For the better. The end of carbon is getting closer.

And then there is space. SpaceX has been innovating at a breath-taking pace. 2020 was the year that America sent astronauts to the space station again. SpaceX's crewed mission was a first for a private company. Starlink, SpaceX's satellite-based high-speed broadband service is up and running in beta, with over 900 satellites orbiting the earth delivering internet to users. And in Texas, SpaceX has been rapidly developing its Starship rocket, the vehicle it hopes will take people back to the Moon and then on to Mars.

### Outlook

It has been a year of great pain and loss. But there has also been some important progress. As we look forward, we are optimistic about what the future holds. As we have said many times before, the pace of innovation is speeding up and spreading out. This ought to be a fruitful environment for growth investors.

### Management Arrangements

The Company is pleased to announce the appointment of Kirsty Gibson as co-manager of the Baillie Gifford US Growth Trust, alongside Gary Robinson, with effect from 1 March 2021. Kirsty is an Investment Manager in Baillie Gifford's US Equities Team and a co-manager of the Baillie Gifford American Fund. Kirsty will replace Helen Xiong who joined Baillie Gifford's Global Alpha Team last year. Helen will work closely with Kirsty to ensure a smooth transition in portfolio management responsibilities.

The principal risks and uncertainties facing the Company are set out on the inside cover of this report.

\* Source: Refinitiv and relevant underlying index providers. See disclaimer on page 23.

For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 19 and 20. Past performance is not a guide to future performance.

# Baillie Gifford Statement on Stewardship Reclaiming Activism for Long-Term Investors

Baillie Gifford's over-arching ethos is that we are 'actual' investors. We have a responsibility to behave as supportive and constructively engaged long-term investors. We invest in companies at different stages in their evolution, across vastly different industries and geographies and we celebrate their uniqueness. Consequently, we are wary of prescriptive policies and rules, believing that these often run counter to thoughtful and beneficial corporate stewardship. Our approach favours a small number of simple principles which help shape our interactions with companies.

## Our Stewardship Principles

### Prioritisation of long-term value creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation but believe these often lead to sub-optimal long-term outcomes. We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others do not.

### A constructive and purposeful board

We believe that boards play a key role in supporting corporate success and representing the interests of minority shareholders. There is no fixed formula, but it is our expectation that boards have the resources, cognitive diversity and information they need to fulfil these responsibilities. We believe that a board works best when there is strong independent representation able to assist, advise and constructively test the thinking of management.

### Long-term focused remuneration with stretching targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

### Fair treatment of stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

### Sustainable business practices

We look for companies to act as responsible corporate citizens, working within the spirit and not just the letter of the laws and regulations that govern them. We believe that corporate success will only be sustained if a business's long-run impact on society and the environment is taken into account. Management and boards should therefore understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

## List of Investments as at 30 November 2020 (unaudited)

Name	Business	2020 Value £'000	2020 % of total assets *
Tesla	Electric cars, autonomous driving and solar energy	76,706	9.5
Shopify Class A	Cloud-based commerce platform provider	52,822	6.5
Amazon	Online retailer and cloud computing provider	47,841	5.9
The Trade Desk	Advertising technology company	43,869	5.4
Wayfair	Online furniture and homeware retailer	34,080	4.2
Roku	Online media player	24,375	3.0
Zoom Video Communications	Remote conferencing service provider	24,012	3.0
Netflix	Subscription service for TV shows and movies	22,605	2.8
Appian	Enterprise software developer	20,080	2.5
Stripe Series G Preferred <sup>Ⓞ</sup>	Online payment platform	19,169	2.4
Peloton Inc	Connected fitness equipment	18,109	2.2
Peloton Interactive	Connected fitness equipment	950	0.1
		19,059	2.3
Alphabet Class A	Online search and other online services	18,918	2.3
Twilio	Cloud-based communications platform	16,788	2.1
Chegg	Online education company	15,956	2.0
Mastercard Class A	Global electronic payments network	15,196	1.9
Moderna	Therapeutic messenger RNA	14,466	1.8
Chewy	Online pet supplies retailer	14,369	1.8
First Republic Bank	Private banking	14,355	1.8
Carvana	Online platform for buying used cars	13,622	1.7
Illumina	Gene sequencing equipment and consumables	12,743	1.6
Novocure	Electric field based cancer therapies	12,420	1.5
Cloudflare	Cloud-based provider of network services	12,130	1.5
Space Exploration Technologies Series J Preferred <sup>Ⓞ</sup>	Rocket and spacecraft company	6,524	0.8
Space Exploration Technologies Series N Preferred <sup>Ⓞ</sup>	Rocket and spacecraft company	3,745	0.5
Space Exploration Technologies Series K Preferred <sup>Ⓞ</sup>	Rocket and spacecraft company	1,487	0.2
		11,756	1.5
Workday	Enterprise information technology	11,573	1.4
CoStar Group	Commercial property information provider	11,444	1.4
Teladoc	Telemedicine services provider	10,850	1.3
Snowflake Class B Common	Developer of a SaaS-based cloud data warehousing platform	6,729	0.8
Snowflake Inc	Developer of a SaaS-based cloud data warehousing platform	3,501	0.4
		10,230	1.2
ABIOMED	Manufacturer of heart pumps	9,977	1.2

Name	Business	2020 Value £'000	2020 % of total assets *
MarketAxess Holdings	Electronic bond trading platform	9,914	1.2
Redfin	Technology-based real estate brokerage firm	9,859	1.2
Butterfly Network Series D Preferred <sup>®</sup>	Portable ultrasound and diagnostics	3,221	0.4
Butterfly Network Promissory 2020B Note <sup>®</sup>	Portable ultrasound and diagnostics	3,191	0.4
Butterfly Network Promissory Note <sup>®</sup>	Portable ultrasound and diagnostics	2,734	0.3
		9,146	1.1
NVIDIA	Graphics chips	8,474	1.0
Watsco	Air conditioning, heating and refrigeration equipment distributor	8,424	1.0
Denali Therapeutics	Clinical stage neurodegeneration company	8,271	1.0
Slack Technologies	Collaboration software	8,229	1.0
Affirm Series G Preferred <sup>®</sup>	Consumer finance	2,885	0.4
Affirm Series F Preferred <sup>®</sup>	Consumer finance	2,180	0.3
Affirm Series A Preferred <sup>®</sup>	Consumer finance	1,375	0.2
Affirm Series G-1 Preferred <sup>®</sup>	Consumer finance	1,135	0.1
		7,575	1.0
Zillow Group Class A	US online real estate services	7,376	0.9
Penumbra	Medical tools to treat vascular diseases	6,908	0.8
Vroom	Online platform for buying used cars	6,860	0.8
Alnylam Pharmaceuticals	Therapeutic gene silencing	6,330	0.8
Stitch Fix	Online clothing retailer	6,322	0.8
Glaukos	Ophthalmic medical technology company	6,281	0.8
Tanium Class B Common <sup>®</sup>	Online security management	6,079	0.8
Datadog	IT monitoring and analytics platform	6,024	0.7
Lemonade	Insurance company	5,257	0.6
Warby Parker (JAND Inc) Series A Preferred <sup>®</sup>	Online and physical glasses retailer	2,751	0.3
Warby Parker (JAND Inc) Series C Preferred <sup>®</sup>	Online and physical glasses retailer	2,325	0.3
		5,076	0.6
RigUp Series D Preferred <sup>®</sup>	Jobs marketplace for the energy sector	3,861	0.5
RigUp Series D-1 Preferred <sup>®</sup>	Jobs marketplace for the energy sector	858	0.1
		4,719	0.6
Ginkgo Bioworks Series E Preferred <sup>®</sup>	Bioengineering company developing micro organisms that produce various proteins	4,669	0.6
Epic Games <sup>®</sup>	Video game platform and software developer	4,494	0.6
HEICO Class A	Aerospace parts	4,240	0.5
Zipline International Series C Preferred <sup>®</sup>	Drone-based medical delivery	4,124	0.5
Nuro Inc, Preferred <sup>®</sup>	Self-driving vehicles for local delivery	3,745	0.5

## List of Investments as at 30 November 2020 (unaudited)

Name	Business	2020 Value £'000	2020 % of total assets *
Yext	Digital knowledge management	3,673	0.5
Convoy Series D Preferred <sup>Ⓞ</sup>	Marketplace for truckers and shippers	3,646	0.4
Honor Technology <sup>Ⓞ</sup>	Home care provider	2,996	0.4
Away (JRSK Inc) Series D Preferred <sup>Ⓞ</sup>	Travel and lifestyle brand	1,266	0.2
Away (JRSK Inc) Convertible Promissory Note <sup>Ⓞ</sup>	Travel and lifestyle brand	1,124	0.1
Away (JRSK Inc) Series Seed Preferred <sup>Ⓞ</sup>	Travel and lifestyle brand	603	0.1
		2,993	0.4
Indigo Agriculture Series E Preferred <sup>Ⓞ</sup>	Agricultural technology company	1,722	0.2
Indigo Agriculture Series F Preferred <sup>Ⓞ</sup>	Agricultural technology company	486	0.1
Indigo Agriculture Common <sup>Ⓞ</sup>	Agricultural technology company	99	<0.1
		2,307	0.3
Thumbtack Class A Common <sup>Ⓞ</sup>	Online directory service for local businesses	2,120	0.3
Niantic Series C Preferred <sup>Ⓞ</sup>	Augmented reality games	2,096	0.3
Lyft	Ridesharing	2,050	0.2
Aurora Innovation Series B Preferred <sup>Ⓞ</sup>	Self-driving technology	1,877	0.2
Airbnb Class A Common <sup>Ⓞ</sup>	Online market place for travel accommodation	1,407	0.2
Airbnb Series D Preferred <sup>Ⓞ</sup>	Online market place for travel accommodation	104	<0.1
Airbnb Series E Preferred <sup>Ⓞ</sup>	Online market place for travel accommodation	56	<0.1
		1,567	0.2
<b>Total Investments</b>		<b>795,132</b>	<b>98.1</b>
Net Liquid Assets		15,157	1.9
<b>Total Assets</b>		<b>810,289</b>	<b>100.0</b>

\* See Glossary of Terms and Alternative Performance Measures on pages 19 and 20.

<sup>Ⓞ</sup> Denotes unlisted (private company) security.

	Listed equities %	Unlisted securities † %	Net liquid assets %	Total assets %
<b>30 November 2020</b>	<b>85.4</b>	<b>12.7</b>	<b>1.9</b>	<b>100.0</b>
31 May 2020	84.4	12.2	3.4	100.0

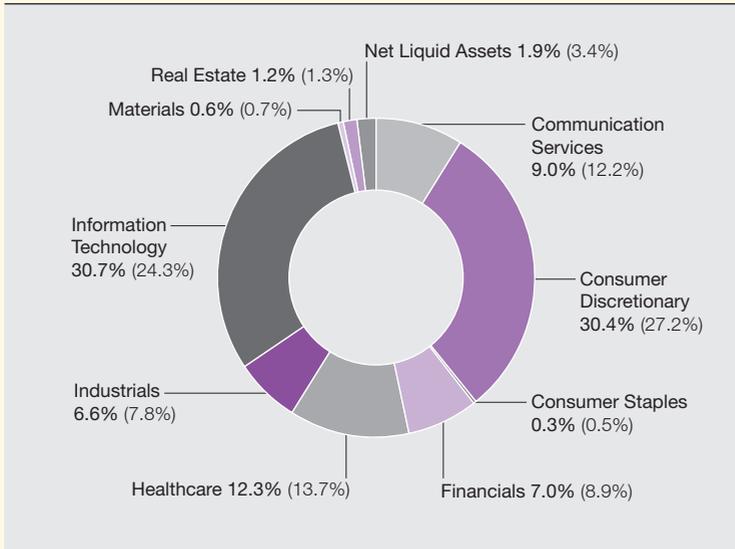
Figures represent percentage of total assets.

† Includes holdings in ordinary shares, preference shares and promissory notes.

# Distribution of Total Assets\* (unaudited)

## Sectoral Analysis as at 30 November 2020

(31 May 2020)



\* See Glossary of Terms and Alternative Performance Measures on pages 19 and 20.

## Income Statement (unaudited)

	For the six months ended 30 November 2020			For the six months ended 30 November 2019			For the year ended 31 May 2020 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on sales of investments	–	35,050	<b>35,050</b>	–	8,133	<b>8,133</b>	–	2,030	<b>2,030</b>
Movement in investment holding gains	–	231,284	<b>231,284</b>	–	14,321	<b>14,321</b>	–	138,622	<b>138,622</b>
Currency gains	–	492	<b>492</b>	–	283	<b>283</b>	–	88	<b>88</b>
Income from investments and interest receivable	328	–	<b>328</b>	312	–	<b>312</b>	595	–	<b>595</b>
Investment management fee (note 3)	(2,056)	–	<b>(2,056)</b>	(981)	–	<b>(981)</b>	(2,206)	–	<b>(2,206)</b>
Other administrative expenses	(255)	–	<b>(255)</b>	(171)	–	<b>(171)</b>	(380)	–	<b>(380)</b>
<b>Net return before finance costs and taxation</b>	<b>(1,983)</b>	<b>266,826</b>	<b>264,843</b>	<b>(840)</b>	<b>22,737</b>	<b>21,897</b>	<b>(1,991)</b>	<b>140,740</b>	<b>138,749</b>
Finance costs of borrowings	(165)	–	<b>(165)</b>	(261)	–	<b>(261)</b>	(485)	–	<b>(485)</b>
<b>Net return before taxation</b>	<b>(2,148)</b>	<b>266,826</b>	<b>264,678</b>	<b>(1,101)</b>	<b>22,737</b>	<b>21,636</b>	<b>(2,476)</b>	<b>140,740</b>	<b>138,264</b>
Tax	(36)	–	<b>(36)</b>	(38)	–	<b>(38)</b>	(79)	–	<b>(79)</b>
<b>Net return after taxation</b>	<b>(2,184)</b>	<b>266,826</b>	<b>264,642</b>	<b>(1,139)</b>	<b>22,737</b>	<b>21,598</b>	<b>(2,555)</b>	<b>140,740</b>	<b>138,185</b>
<b>Net return per ordinary share</b> (note 4)	<b>(0.80p)</b>	<b>98.00p</b>	<b>97.20p</b>	<b>(0.48p)</b>	<b>9.65p</b>	<b>9.17p</b>	<b>(1.05p)</b>	<b>57.85p</b>	<b>56.80p</b>

The total column of this Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this Statement derive from continuing operations.

A Statement of Comprehensive Income is not required as the Company does not have any other comprehensive income and the net return after taxation is both the profit and comprehensive income for the period.

## Balance Sheet (unaudited)

	At 30 November 2020 £'000	At 31 May 2020 (audited) £'000
<b>Fixed assets</b>		
Investments held at fair value through profit or loss (note 6)	795,132	474,136
<b>Current assets</b>		
Debtors	9,264	1,627
Cash and cash equivalents	18,647	16,089
	27,911	17,716
<b>Creditors</b>		
Amounts falling due within one year (note 7)	(12,754)	(15,650)
<b>Net current assets</b>	15,157	2,066
<b>Total assets less current liabilities</b>	810,289	476,202
<b>Creditors</b>		
Amounts falling due after more than one year (note 7)	(18,670)	–
<b>Net assets</b>	<b>791,619</b>	<b>476,202</b>
<b>Capital and reserves</b>		
Share capital	2,827	2,618
Share premium account	167,173	116,607
Special distributable reserve	168,942	168,942
Capital reserve	459,470	192,644
Revenue reserve	(6,793)	(4,609)
<b>Shareholders' funds</b>	<b>791,619</b>	<b>476,202</b>
<b>Net asset value per ordinary share</b> (after deducting borrowings at book value)	<b>280.01p</b>	<b>181.92p</b>
<b>Ordinary shares in issue</b> (note 8)	<b>282,715,000</b>	<b>261,765,000</b>

## Statement of Changes in Equity (unaudited)

### For the six months to 30 November 2020

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 June 2020	2,618	116,607	168,942	192,644	(4,609)	<b>476,202</b>
Ordinary shares issued (note 8)	209	50,566	–	–	–	<b>50,775</b>
Net return after taxation	–	–	–	266,826	(2,184)	<b>264,642</b>
<b>Shareholders' funds at 30 November 2020</b>	<b>2,827</b>	<b>167,173</b>	<b>168,942</b>	<b>459,470</b>	<b>(6,793)</b>	<b>791,619</b>

### For the six months to 30 November 2019

	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 June 2019	2,298	68,839	168,942	51,904	(2,054)	<b>289,929</b>
Ordinary shares issued	134	18,271	–	–	–	<b>18,405</b>
Net return after taxation	–	–	–	22,737	(1,139)	<b>21,598</b>
<b>Shareholders' funds at 30 November 2019</b>	<b>2,432</b>	<b>87,110</b>	<b>168,942</b>	<b>74,641</b>	<b>(3,193)</b>	<b>329,932</b>

\* The capital reserve as at 30 November 2020 includes investment holding gains of £417,768,000 (30 November 2019 – gains of £62,182,000).

# Cash Flow Statement (unaudited)

For the six months to 30 November

	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>		
Net return before taxation	264,678	21,636
Net gains on investments	(266,334)	(22,454)
Currency gains	(492)	(283)
Finance costs of borrowings	165	261
Overseas withholding tax incurred	(38)	(38)
Changes in debtors and creditors	1,139	29
<b>Cash from operations*</b>	(882)	(849)
Finance costs paid	(199)	(271)
<b>Net cash outflow from operating activities</b>	(1,081)	(1,120)
<b>Cash flows from investing activities</b>		
Acquisitions of investments	(100,139)	(41,978)
Disposals of investments	48,401	24,219
<b>Net cash outflow from investing activities</b>	(51,738)	(17,759)
<b>Cash flows from financing activities</b>		
Ordinary shares issued	50,775	18,405
Bank loans drawn down	67,932	26,298
Bank loans repaid	(62,632)	(23,963)
<b>Net cash inflow from financing activities</b>	56,075	20,740
<b>Increase in cash and cash equivalents</b>	3,256	1,861
Exchange movements	(698)	(37)
Cash and cash equivalents at start of period	16,089	5,952
<b>Cash and cash equivalents at 30 November</b>	<b>18,647</b>	<b>7,776</b>

\* Cash from operations includes dividends received in the period of £250,000 (30 November 2019 – £271,000) and interest received of £4,000 (30 November 2019 – £41,000).

## Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed Financial Statements for the six months to 30 November 2020 comprise the statements set out on pages 10 to 14 together with the related notes on pages 15 to 18. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014, updated in October 2019 with consequential amendments and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 November 2020 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements for the year ended 31 May 2020.

### Going Concern

Having considered the nature of the Company's principal risks and uncertainties, as set out on the inside front cover, together with its current position, investment objective and policy, its assets and liabilities, and projected income and expenditure, together with the Company's dividend policy, it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board has, in particular, considered the impact of heightened market volatility since the coronavirus (Covid-19) outbreak but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. Accordingly, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

- 2 The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year to 31 May 2020 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report, and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.
- 3 The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretary. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. The Management Agreement can be terminated on six months' notice.  
The annual management fee is 0.70% on the first £100 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.

## Notes to the Condensed Financial Statements (unaudited)

	For the six months to 30 November 2020		For the six months to 30 November 2019		For the year ended 31 May 2020 (audited)	
	£'000	p	£'000	p	£'000	p
<b>4 Net Return</b>						
<b>Per Ordinary Share</b>						
Revenue return after taxation	(2,184)	(0.80p)	(1,139)	(0.48p)	(2,555)	(1.05p)
Capital return after taxation	266,826	98.00p	22,737	9.65p	140,740	57.85p
<b>Net return</b>	<b>264,642</b>	<b>97.20p</b>	<b>21,598</b>	<b>9.17p</b>	<b>138,185</b>	<b>56.80p</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>272,262,541</b>		<b>235,496,148</b>		<b>243,286,434</b>	

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period. There are no dilutive or potentially dilutive shares in issue.

- 5** No interim dividend has been declared. The Company's objective is to produce capital growth and the policy is only to distribute, by way of a final dividend, the minimum required to maintain investment trust status. It is not currently envisaged that any dividend will be paid in the foreseeable future.

### **6 Fair Value Hierarchy**

The fair value hierarchy used to analyse the fair values of financial assets is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

An analysis of the Company's financial asset investments based on the fair value hierarchy described above is shown below.

#### **Investments held at fair value through profit or loss**

As at 30 November 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	694,978	–	–	<b>694,978</b>
Unlisted ordinary shares	–	–	17,195	<b>17,195</b>
Unlisted preference shares*	–	–	75,910	<b>75,910</b>
Unlisted promissory notes	–	–	7,049	<b>7,049</b>
<b>Total financial asset investments</b>	<b>694,978</b>	<b>–</b>	<b>100,154</b>	<b>795,132</b>

## 6 Fair Value Hierarchy (continued)

### Investments held at fair value through profit or loss

As at 31 May 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	414,486	–	–	<b>414,486</b>
Unlisted ordinary shares	–	–	6,407	<b>6,407</b>
Unlisted preference shares*	–	–	50,134	<b>50,134</b>
Unlisted promissory notes	–	–	3,109	<b>3,109</b>
<b>Total financial asset investments</b>	<b>414,486</b>	<b>–</b>	<b>59,650</b>	<b>474,136</b>

\* The investments in preference shares are not classified as equity holdings as they include liquidation preference rights that determine the repayment (or multiple thereof) of the original investment in the event of a liquidation event such as a takeover.

The valuation techniques used by the Company are explained in the accounting policies on pages 44 to 45 of the Annual Report and Financial Statements for the year ended 31 May 2020. Listed investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data. The Company's holdings in unlisted investments are categorised as Level 3 as unobservable data is a significant input to their fair value measurements.

During the period investments with a book cost of £868,000 (31 May 2020 – £4,666,000) were transferred from Level 3 to Level 1 on becoming listed.

- 7 During the period the Company entered into a new US\$25,000,000 three year fixed rate facility with ING Bank N.V., London Branch which expires on 23 October 2023 which is in addition to the existing US\$25,000,000 five year revolving credit facility with ING Bank N.V., London Branch which expires on 1 August 2023. At 30 November 2020 creditors falling due after more than one year include borrowings of US\$25,000,000 (sterling value £18,670,000) drawn down under the three year fixed rate facility, there were no drawings under the five year revolving credit facility (31 May 2020 – creditors falling due within one year included US\$18,000,000 (sterling value £14,560,000) drawn under the five year revolving credit facility). The fair value of borrowings as at 30 November 2020 was £19,025,000 (31 May 2020 – £14,560,000).

	30 November 2020 Number	30 November 2020 £'000	31 May 2020 Number	31 May 2020 £'000
<b>8 Share Capital</b>				
Allotted, called up and fully paid ordinary shares of 1p each	<b>282,715,000</b>	<b>2,827</b>	<b>261,765,000</b>	<b>2,618</b>

The Company has authority to allot shares under section 551 of the Companies Act 2006. The Board has authorised use of this authority to issue new shares at a premium to net asset value in order to enhance the net asset value per share for existing shareholders and improve the liquidity of the Company's shares. In the six months to 30 November 2020, the Company issued a total of 20,950,000 shares (nominal value £209,000, representing 8.0% of the issued share capital at 31 May 2020) on a non pre-emptive basis at a premium to net asset value (on the basis of debt valued at par value), raising net proceeds of £50,775,000 (in the year to 31 May 2020, the Company issued a total of 31,965,000 shares (nominal value £320,000, representing 13.9% of the issued share capital at 31 May 2019) raising net proceeds of £48,088,000), which has been invested in accordance with the Company's investment policy.

# Notes to the Condensed Financial Statements (unaudited)

## 8 Share Capital (continued)

Over the period from 30 November 2020 to 15 January 2021 the Company has issued a further 5,125,000 shares at a premium to net asset value, raising net proceeds of £15,718,000.

The Company's authority to buy back shares up to a maximum of 14.99% of the Company's issued share capital was renewed at the Annual General Meeting held on 9 October 2020. No shares were bought back in the six months to 30 November 2020. At 30 November 2020 the Company had authority to buy back 40,332,843 ordinary shares.

- 9 During the period the Company incurred transaction costs on purchases of investments of £26,000 (six months to 30 November 2019 – £7,000; year to 31 May 2020 – £20,000) and transaction costs on sales of £8,000 (six months to 30 November 2019 – £8,000; year to 31 May 2020 – £18,000).

## 10 Related Party Transactions

There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period and there are no changes in the related party transactions described in the last Annual Report and Financial Statements that could have had such an effect on the Company during that period.

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

# Glossary of Terms and Alternative Performance Measures ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs noted below are commonly used measures within the investment trust industry and serve to improve comparability between investment trusts.

## Total Assets

The total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

## Shareholders' Funds and Net Asset Value

Shareholders' funds is the value of all assets held less all liabilities, with borrowings deducted at book cost. Net asset value ('NAV') is the value of all assets held less all liabilities, with borrowings deducted at either fair value or book value as described below. Per share amounts are calculated by dividing the relevant figure by the number of ordinary shares in issue.

## Net Asset Value (Borrowings at Book)

Borrowings are valued at nominal par value (book cost).

## Net Asset Value (Borrowings at Fair Value) (APM)

Borrowings are valued at an estimate of their market worth. The fair value of borrowings is set out in note 7 on page 17 and a reconciliation to net asset value with borrowings at book value is provided below.

	30 November 2020	31 May 2020
<b>Net asset value per ordinary share (borrowings at book value)</b>	<b>280.01p</b>	<b>181.92p</b>
Shareholders' funds (borrowings at book value)	£791,619,000	£476,202,000
Add: book value of borrowings	£18,670,000	£14,560,000
Less: fair value of borrowings	(£19,025,000)	(£14,560,000)
<b>Shareholders' funds (borrowings at fair value)</b>	<b>£791,264,000</b>	<b>£476,202,000</b>
Number of shares in issue	282,715,000	261,765,000
<b>Net asset value per ordinary share (borrowings at fair value)</b>	<b>279.88p</b>	<b>181.92p</b>

## Net Liquid Assets

Net liquid assets comprise current assets less current liabilities (excluding borrowings).

## Discount/Premium (APM)

As stock markets and share prices vary, an investment trust's share price is rarely the same as its NAV. When the share price is lower than the NAV per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

## Total Return (APM)

The total return is the return to shareholders after reinvesting the dividend on the date that the share price goes ex-dividend.

## Ongoing Charges (APM)

The total recurring expenses (excluding the Company's cost of dealing in investments and borrowing costs) incurred by the Company as a percentage of the average net asset value (with borrowings at fair value).

## Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

Invested gearing is the Company's borrowings at par less cash and brokers' balances expressed as a percentage of shareholders' funds.

## **Glossary of Terms and Alternative Performance Measures ('APM') (continued)**

### **Leverage (APM)**

For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

### **Active Share (APM)**

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

## Further Shareholder Information

### How to Invest

Baillie Gifford US Growth Trust plc shares are traded on the London Stock Exchange. They can be bought through a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Baillie Gifford US Growth Trust plc, you can do so online. There are a number of companies offering real time online dealing services. Find out more by visiting the investment trust pages at [www.bailliegifford.com](http://www.bailliegifford.com).

### Client Relations Team Contact Details

You can contact the Baillie Gifford Client Relations Team by telephone (your call may be recorded for training or monitoring purposes), email or post. See contact details in the 'Further Information' box on the back cover.

### Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrar on 0370 707 1711.

### Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Baillie Gifford US Growth Trust plc is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Baillie Gifford US Growth Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

New shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders

<https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

### Risk Warnings

Past performance is not a guide to future performance.

Baillie Gifford US Growth Trust plc ('Baillie Gifford US Growth') is a listed UK company. The value of its shares, and any income from them, can fall as well as rise and you may not get back the amount invested.

Baillie Gifford US Growth invests in overseas securities. Changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Baillie Gifford US Growth has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that, when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any invested borrowings will increase the amount of this loss.

Baillie Gifford US Growth can buy back its own shares. The risks from borrowing, referred to above, are increased when a company buys back its own shares.

Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.

Baillie Gifford US Growth can make use of derivatives which may impact on its performance.

Investments in smaller companies is generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller companies may do less well in periods of unfavourable economic conditions.

Baillie Gifford US Growth's exposure to a single market and currency may increase risk.

Baillie Gifford US Growth has a significant exposure to unlisted securities. The Company's risk could be increased as these assets may be more difficult to sell, so changes in their prices may be greater.

## Further Shareholder Information (continued)

Charges are deducted from income. Where income is low, the expenses may be greater than the total income received and the capital value would be reduced.

The aim of Baillie Gifford US Growth is to achieve capital growth and it is unlikely that the Company will provide a steady, or indeed, any income.

Baillie Gifford US Growth is a UK public listed company and as such complies with the requirements of the Financial Conduct Authority but is not authorised or regulated by the Financial Conduct Authority.

The information and opinions expressed within this Interim Financial Report are subject to change without notice.

The staff of Baillie Gifford & Co and Baillie Gifford US Growth Directors may hold shares in Baillie Gifford US Growth and may buy and sell such shares from time to time.

Further details of the risks associated with investing in the Company, including a Key Information Document and how charges are applied, can be found at [www.bgusgrowthtrust.com](http://www.bgusgrowthtrust.com), or by calling Baillie Gifford on 0800 917 2112.

This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

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## S&P Index Data

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TJW Burnet

SP Inglis  
GD Paterson

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## Registrar

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Investor Services PLC  
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## Depository

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## Company Broker

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## Independent Auditor

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## Company Details

[www.bgusgrowthtrust.com](http://www.bgusgrowthtrust.com)  
Company Registration  
No. 11194060  
ISIN GB00BDFGHW41  
Sedol BDFGHW4  
Ticker USA

Legal Entity Identifier:  
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## Further Information

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