

Baillie Gifford UK Growth Trust plc (BGUK)

Legal Entity Identifier: 549300XX386SYWX8XW22

Regulated Information Classification: Half Yearly Financial Report

Results for the six months to 31 October 2021

- Over the six month period to 31 October 2021, the Company's net asset value per share total return was a positive 2.8% compared to a positive 5.4% for the FTSE All-Share Index total return. The share price total return for the same period was a negative 5.6%.
- Four new positions were initiated in the period: the pharma-tech company Exscientia; the online wine retailer Naked Wine; the DNA sequencing developer Oxford Nanopore Technologies; and the online money transfer platform Wise. There were three complete sales in the period: the marine and energy equipment and services provider James Fisher & Sons; the defence business Ultra Electronics; and Jackson Financial following its spin-out from Prudential.
- The net revenue return per share was 2.28p compared to 1.22p in the corresponding period last year. As highlighted previously, no interim dividend will be declared as all dividends are paid as a single final dividend.
- Over the period a total of 475,000 shares were re-issued from treasury at a premium to the NAV per share.
- Despite the backdrop of the Covid-19 pandemic and its impacts, the portfolio managers remain satisfied with the operational performance of the underlying holdings and remain optimistic about the future prospects for the portfolio.

Past performance is not a guide to future performance

Total return information is sourced from Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer at end of this announcement. For a definition of terms see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

Baillie Gifford UK Growth aims to achieve capital growth predominantly from investment in UK equities with the aim of providing a total return in excess of the FTSE All-Share Index. At 31 October 2021 the Company had total assets of £373 million.

Baillie Gifford UK Growth is managed by Baillie Gifford, an Edinburgh based fund management group with approximately £353 billion under management and advice as at 25 November 2021.

Baillie Gifford UK Growth is a listed UK company. The value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested. The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority. You can find up to date performance information about Baillie Gifford UK Growth at bgukgrowthtrust.com[‡]. Past performance is not a guide to future performance. See disclaimer at end of this announcement.

[‡] Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

25 November 2021

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The following is the unaudited Interim Financial Report for the six months to 31 October 2021.

Responsibility Statement

We confirm that to the best of our knowledge:

- 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 (indication of important events during the first six months, their impact on the Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the 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).

By order of the Board
Carolyn Dobson
Chairman
25 November 2021

The Baillie Gifford UK Growth Trust plc

Interim Management Report

Investment Environment/Performance

Over the six months to 31 October 2021, the Company's net asset value ('NAV') per share increased by 2.8% which compares to a 5.4% increase in the FTSE All-Share Index, total return, over the same period. The share price over the six months fell by 5.6% on a total return basis as the shares moved from a premium of 2.8% to the NAV per share to a discount of 5.6%. As a reminder, we don't agonise (or crow) over short-term performance and instead remain focused on building conviction in the long-term investment potential of companies. We think that this will be the key determinant of long-term investment success for shareholders which really matters. Since taking on management of the portfolio at the end of June 2018, the NAV is up 23.5%, the share price 25.7% and the FTSE All-Share Index 10.6% (all on a total return basis).

The main detractors from performance in the period were Boohoo.com (discussed in more depth below), Renishaw (the founders were unable to find a buyer who shared their long term vision for the company) and Lancashire Holdings (the insurer announced higher than expected storm losses). Not owning the major oil stocks in the period was the other notable detractor. In terms of positives, an agreed bid for Ultra Electronics resulted in a large surge in its share price, while encouraging operational updates meant strong share price performance from St. James's Place, Ashtead and Volution.

The post-pandemic disruption of global supply chains and the rising spectre of inflation have been the topic du jour in financial markets for much of this year. Our investment style is resolutely bottom up; trying to understand the growth and competitive dynamics of individual businesses, so we have little confidence in making accurate macro-economic forecasts and will certainly not try to trade our way around such issues. We are, however, alert to the potential for a major change in conditions and try to incorporate that as part of our deliberations on individual companies.

It is important to frame issues, such as supply chain disruption, in the context of our long-term approach; ultimately, this ought to be a temporary phenomenon and we are more interested in identifying the kind of deep, enduring changes which can enable businesses to deliver sustained above average growth. For example, elevated freight costs are certainly a headache for Boohoo in the short-term and impacted the share price. However, the pandemic has also only reinforced the divide between the structural winners and losers in fashion retail and we think Boohoo is resolutely in the former camp. Whilst the market frets over temporary cost headwinds and post-Covid-19 normalisation, we are more interested in the long-term investments Boohoo has continued to make in its multi-brand platform, investments which are significantly expanding its total addressable market.

The impact of supply chain disruption is not uniformly negative. Some businesses and management teams can use periods of turbulence to their advantage, leverage their competitive strengths and put pressure on the competition. Good examples of this in the portfolio are the kitchen supplier Howden Joinery (a highly integrated manufacturing and distribution operating model has enabled it to maintain industry leading stock availability), clean air solutions provider Volution (where the management team was nimble in anticipating supply chain bottlenecks and pre-emptively built up its inventory) and 4imprint (whose long-standing and cooperative relationship with its suppliers is helping it maintain its differentiated level of customer service). In all these cases, there is clear evidence that the companies are gaining market share against their competitors.

Portfolio Transactions

We have been a little busier than usual in terms of portfolio activity (from a very low base!) and have introduced four new companies to the portfolio: the fintech platform Wise, the direct-to-consumer wine business Naked Wines, and two exciting, earlier stage next generation healthcare companies – Oxford Nanopore and Exscientia. We think all four have terrific long-term opportunities which we explain in more detail below.

Naked Wines is an online wine retailer with operations in the US, the UK and Australia. It has a very interesting customer-funded business model. Consumers, which the company calls Angels, commit to a monthly subscription which helps fund talented independent winemakers around the world. Online wine buying has seen a real inflection during the pandemic, especially in the US where penetration has been way behind other categories and geographies. We think Naked Wines adds a lot of value for both Angels and the wine makers so the strength of that proposition should enable it to expand profitably in this structurally growing market.

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Wise (previously known as TransferWise) is a global provider of cross-border money transfer for consumers and SMEs. The company came to market earlier this year via a slightly unconventional (for the UK) direct listing as it didn't require new capital on listing. This is a business which has been owned in some of Baillie Gifford's private company portfolios for several years and we have long been impressed by its operational and strategic development. The international cross-border payments system is based on an antiquated and hugely inefficient correspondent banking model. Wise has built a replacement infrastructure for global cross-border payments which underpins a much superior proposition to traditional banks. Its services are cheaper, faster and more convenient than the traditional competition. The company strengthens its competitive position by reinvesting the benefits of its growing global scale to further reduce prices and improve its products for its customers.

Exscientia and Oxford Nanopore are two exciting next generational healthcare companies. They are what we can call seeds for the future – earlier stage companies but with tremendously exciting long-term potential.

Rapid progress is being made in advanced machine learning and we are enthused about companies which are bringing that progress to bear in different industries with the potential to transform their productivity. Oxford-based Exscientia is one such company applying artificial intelligence to improve the notoriously inefficient and hugely expensive process of drug discovery and development by pharmaceutical companies. Its platform stands out from others by spanning the entire range of the R&D process from determining the right target, designing the right drug molecule, defining the right experiments that need to be performed to selecting the right patients for clinical trials. Whilst still very early in its journey, Exscientia has shown some encouraging results (e.g. reducing the discovery time from target to candidate identification by 70% relative to industry averages with significantly fewer compounds synthesised and tested) and attracted some high calibre partners such as Bristol Myers Squibb, Sanofi, Bayer and the Gates Foundation. The company has quickly built up a pipeline of 25 projects, including the world's first three fully AI designed drugs to enter human clinical trials. Time will tell if Exscientia's capabilities result in the creation of superior drugs with a higher likelihood of approval and commercial success but our own research in conjunction with Baillie Gifford's Health Innovation team, led us to the view that this British based business (also listed in the US) has the potential to be a world leader in this exciting field.

Oxford Nanopore is a company whose progress we have followed for several years, being the largest investment in the quoted IP Group as well as being a direct investment in some of our other Baillie Gifford portfolios. The company has developed a novel system for the direct and highly sensitive electronic analysis of single molecules in real time. Whilst the original focus of this technology has been on the rapid sequence of native DNA and RNA molecules, the unique combination of several attributes – namely accuracy, ability to read long sequences, portability, low cost, and real time detection – has the potential to unlock multiple new applications outside of the core research market. Areas such as infectious disease testing, oncology, environmental monitoring, and food safety can benefit from the company's technology and are multiple times larger than the current market opportunity.

In contrast, while our sales perhaps lack the 'sizzle' of our purchases, our patient investment in the defence electronics business Ultra Electronics has proved to be a very rewarding investment for shareholders as end markets have recovered and new management revitalised the business. We decided to sell following the announcement of an agreed bid due to concerns that the bid might be blocked given the importance of Ultra's intellectual property and the rather controversial history of the private equity bidder in relation to undertakings given in the acquisition of another defence business. The other complete sale was of a less successful investment in the marine services business James Fisher & Sons. We came to view that the operational troubles were not just Covid-19 related and were unlikely to be fixed soon.

Outlook

The last twelve months have seen a welcome surge in the UK stockmarket but in relative terms has been less rewarding for growth investors as lower rated stocks have re-rated and performed better. Although the Covid-19 pandemic backdrop is unprecedented, such periods of underperformance for growth investors in the UK are not unusual in our experience and does not concern us unduly. In fact we are heartened by the resilience of the operational performance of the companies in our portfolio and in many cases we think the long term investment attractions have actually strengthened over this extraordinary period. Never forget that disruption and dislocation present opportunities for nimble and far sighted management teams and it usually takes time for this to be widely recognised. As such, we remain optimistic about the future prospects of the portfolio.

The Baillie Gifford UK Growth Trust plc

Iain McCombie and Milena Mileva
Managers & Secretaries
25 November 2021

For a definition of terms see Glossary of Terms and Alternative Performance Measures at the end of this announcement.

Past performance is not a guide to future performance

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List of Investments as at 31 October 2021 (unaudited)

Name	Business	Value £'000	% of Total Assets
Basic Materials			
Rio Tinto	Metals and mining company	6,891	1.8
Bodycote	Heat treatment and materials testing	5,521	1.5
Victrex	Speciality high-performance chemicals manufacturer	5,311	1.4
		17,723	4.7
Consumer Discretionary			
Howden Joinery	Manufacturer and distributor of kitchens to trade customers	13,230	3.6
RELX	Professional publications and information provider	10,805	2.9
Games Workshop	Toy manufacturer and retailer	10,424	2.8
Burberry	Luxury goods retailer	7,706	2.1
Farfetch	Technology platform for the global fashion industry	7,547	2.0
Boohoo.com	Online fashion retailer	5,463	1.5
4imprint	Direct marketer of promotional merchandise	4,999	1.3
Naked Wines	Online wine retailer	1,616	0.4
		61,790	16.6
Consumer Staples			
Diageo	International drinks company	10,332	2.8
		10,332	2.8
Financials			
St. James's Place	UK wealth manager	16,930	4.5
Prudential	International life insurer	11,384	3.1
Molten Ventures (formerly Draper Esprit)	Technology focused venture capital firm	10,345	2.8
Hargreaves Lansdown	UK retail investment platform	9,568	2.6
Legal & General	Insurance and investment management company	9,374	2.5
IntegraFin	Provides platform services to financial clients	8,286	2.2
Just Group	Provider of retirement income products and services	7,197	1.9
HomeServe	Domestic insurance	6,904	1.9
Lancashire Holdings	General insurance	6,137	1.6
Hiscox	Property and casualty insurance	4,032	1.1
IG Group	Spread betting website	3,413	0.9
AJ Bell	Investment platform	2,906	0.8
		96,476	25.9

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List of Investments as at 31 October 2021 (unaudited) (Ctd)

Name	Business	Value £'000	% of Total Assets
Healthcare			
Genus	World leading animal genetics company	17,665	4.7
Abcam	Online platform selling antibodies to life science researchers	14,114	3.8
Exscientia	Biotech company	2,116	0.6
Creo Medical	Designer and manufacturer of medical equipment	703	0.2
Oxford Nanopore	Novel DNA sequencing technology	506	0.1
		35,104	9.4
Industrials			
Volution Group	Supplier of ventilation products	15,821	4.2
Ashtead	Construction equipment rental company	14,737	4.0
Renishaw	World leading metrology company	11,968	3.2
Bunzl	Distributor of consumable products	9,801	2.6
Experian	Global provider of credit data and analytics	9,673	2.6
Halma	Specialist engineer	9,501	2.5
FDM Group	Provider of professional services focusing on information technology	9,409	2.5
Inchcape	Car wholesaler and retailer	8,087	2.2
PageGroup	Recruitment consultancy	7,249	1.9
Euromoney Institutional Investor	Specialist publisher	3,321	0.9
Wise	Online platform to send and receive money	2,425	0.7
		101,992	27.3
Real Estate			
Rightmove	UK's leading online property portal	11,238	3.0
Helical	Property developer	8,348	2.2
		19,586	5.2
Technology			
Auto Trader Group	Advertising portal for second hand cars in the UK	13,059	3.5
First Derivatives	IT consultant and software developer	5,246	1.4
Just Eat Takeaway.com	Operator of online and mobile market place for takeaway food	4,478	1.2
		22,783	6.1
Total Equities		365,786	98.0
Net Liquid Assets		7,317	2.0
Total Assets		373,103	100.0

Stocks highlighted in bold are the 20 largest holdings.

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Income Statement (unaudited)

	For the six months ended 31 October 2021			For the six months ended 31 October 2020			For the year ended 30 April 2021 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	-	7,350	7,350	-	26,649	26,649	-	95,201	95,201
Currency gains	-	18	18	-	-	-	-	-	-
Income from investments and interest receivable	4,047	-	4,047	2,263	-	2,263	5,297	-	5,297
Investment management fee (note 3)	(280)	(653)	(933)	(212)	(495)	(707)	(473)	(1,104)	(1,577)
Other administrative expenses	(248)	-	(248)	(203)	-	(203)	(437)	-	(437)
Net return before finance costs and taxation	3,519	6,715	10,234	1,848	26,154	28,002	4,387	94,097	98,484
Finance costs of borrowings	(18)	(42)	(60)	(15)	(34)	(49)	(36)	(83)	(119)
Net return on ordinary activities before taxation	3,501	6,673	10,174	1,833	26,120	27,953	4,351	94,014	98,365
Tax on ordinary activities	-	-	-	-	-	-	-	-	-
Net return on ordinary activities after taxation	3,501	6,673	10,174	1,833	26,120	27,953	4,351	94,014	98,365
Net return per ordinary share (note 4)	2.28p	4.35p	6.63p	1.22p	17.35p	18.57p	2.88p	62.18p	65.06p
Note: Dividends paid and payable per share (note 5)	-	-	-	-	-	-	2.42p	-	-

The total column of this statement is 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 the above statements derive from continuing operations.

A Statement of Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

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Balance Sheet (unaudited)

	At 31 October 2021	At 30 April 2021 (audited)
	£'000	£'000
Fixed assets		
Investments held at fair value through profit or loss (note 6)	365,786	362,767
Current assets		
Debtors	268	1,452
Cash and cash equivalents	7,595	1,872
	7,863	3,324
Creditors		
Amounts falling due within one year:		
Bank loan (note 7)	(2,450)	(2,450)
Other creditors	(546)	(588)
	(2,996)	(3,038)
Net current assets	4,867	286
Net assets	370,653	363,053
Capital and reserves		
Share capital	40,229	40,229
Share premium account	11,664	11,328
Capital redemption reserve	19,759	19,759
Warrant exercise reserve	417	417
Share purchase reserve	60,433	60,433
Capital reserve	226,459	218,981
Revenue reserve	11,692	11,906
Shareholders' funds	370,653	363,053
Net asset value per ordinary share*	241.5p	237.3p
Ordinary shares in issue (note 8)	153,495,484	153,020,484

* See Glossary of Terms and Alternative Performance Measures at the end of this announcement.

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Statement of Changes in Equity (unaudited)

For the six months ended 31 October 2021

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 May 2021	40,229	11,328	19,759	417	60,433	218,981	11,906	363,053
Ordinary shares sold from treasury	-	336	-	-	-	805	-	1,141
Net return on ordinary activities after taxation	-	-	-	-	-	6,673	3,501	10,174
Dividends paid (note 5)	-	-	-	-	-	-	(3,715)	(3,715)
Shareholders' funds at 31 October 2021	40,229	11,664	19,759	417	60,433	226,459	11,692	370,653

For the six months ended 31 October 2020

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserve* £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 May 2020	40,229	9,875	19,759	417	60,433	120,725	12,221	263,659
Net return on ordinary activities after taxation	-	-	-	-	-	26,120	1,833	27,953
Dividends paid (note 5)	-	-	-	-	-	-	(4,666)	(4,666)
Shareholders' funds at 31 October 2020	40,229	9,875	19,759	417	60,433	146,845	9,388	286,946

* The Capital Reserve balance at 31 October 2021 includes investment holding gains of £64,943,000 (31 October 2020 – losses of £5,627,000)

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Condensed Cash Flow Statement (unaudited)

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000
Cash flows from operating activities		
Net return on ordinary activities before taxation	10,174	27,953
Net gains on investment	(7,350)	(26,649)
Currency gains	(18)	-
Finance costs of borrowings	60	49
Changes in debtors and creditors	1,147	632
Cash from operations*	4,013	1,985
Interest paid	(64)	(9)
Net cash inflow from operating activities	3,949	1,976
Cash flows from investing activities		
Acquisitions of investments	(12,577)	(10,062)
Disposals of investments	16,907	9,371
Net cash inflow/(outflow) from investing activities	4,330	(691)
Cash flows from financing activities		
Bank loan drawn down	2,450	2,450
Bank loan repaid	(2,450)	-
Equity dividends paid	(3,715)	(4,666)
Ordinary shares sold from treasury	1,141	-
Net cash outflow from financing activities	(2,574)	(2,216)
Increase/(decrease) in cash and cash equivalents	5,705	(931)
Exchange movements	18	-
Cash and cash equivalents at start of period	1,872	3,512
Cash and cash equivalents at end of period†	7,595	2,581

* Cash from operations includes dividends received of £5,218,000 (2020 - £2,844,000).

† Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.

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Notes to the condensed financial statements (unaudited)

1. The condensed Financial Statements for the six months to 31 October 2021 comprise the statements set out above together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in April 2021 with consequential amendments and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 October 2021 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 30 April 2021.

Going Concern

Having considered the nature of the Company's principal risks and uncertainties, as set out below, 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 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 and could be sold to repay borrowings if required. All borrowing facilities require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. In accordance with the Company's Articles of Association, shareholders have a right to vote on the continuation of the Company every five years, the next vote being in 2024. 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 ended 30 April 2021 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 their report, and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.
3. Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager (AIFM) and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. The annual fee is 0.5% of net asset value, calculated and payable quarterly.

4.	Net return per ordinary share	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000
	Revenue return on ordinary activities after taxation	3,501	1,833
	Capital return on ordinary activities after taxation	6,673	26,120
	Total net return	10,174	27,953
	Weighted average number of ordinary shares in issue	153,420,349	150,520,484

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.

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5.	Dividends	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000
Amounts recognised as distributions in the period:			
	Previous year's final dividend of 2.42p (2020 – 3.10p), paid 11 August 2021	3,715	4,666

No interim dividend will be declared in respect of the current period.

6. Fair Value Hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

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).

The fair value of listed investments is bid price. The financial assets designated as valued at fair value through profit or loss are all categorised as Level 1 in the above hierarchy. All of the Company's investments fall into Level 1 for the periods reported.

7. At 31 October 2021 the Company had borrowings of £2,450,000 (30 April 2021 – £2,450,000). This was drawn down under the one year £20 million unsecured revolving credit loan facility with Royal Bank of Scotland International which expires in July 2022.
8. At 31 October 2021, the Company had the authority to buy back 23,008,973 ordinary shares and to allot or sell from treasury 15,349,548 ordinary shares without application of pre-emption rights in accordance with the authorities granted at the AGM in August 2021. During the six months to 31 October 2021, 475,000 (30 April 2021 – 2,500,000) shares were sold from treasury at a premium to net asset value raising proceeds of £1,141,000 (30 April 2021 - £5,965,000). No shares were bought back (30 April 2021 – nil).
9. During the period, transaction costs on equity purchases amounted to £23,000 (31 October 2020 – £12,000) and on equity sales £2,000 (31 October 2020 – £5,000).

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 have been 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.

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Glossary of Terms and Alternative Performance Measures (APM)

Total Assets

Total assets less current liabilities, before deduction of all borrowings.

Net Asset Value

Net Asset Value (NAV) is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue (excluding treasury shares).

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings.

Discount/Premium (APM)

As stockmarkets 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, it is said to be trading at a premium.

	31 October 2021	30 April 2021
Closing NAV per share	241.5p	237.3p
Closing share price	228.0p	244.0p
(Discount)/premium	(5.6%)	2.8%

Total Return (APM)

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

		31 October 2021 NAV	31 October 2021 share price	30 April 2021 NAV	30 April 2021 share price
Closing NAV per share/share price	(a)	241.5p	228.0p	237.3p	244.0p
Dividend adjustment factor*	(b)	1.0101	1.0101	1.0169	1.0172
Adjusted closing NAV per share/share price	(c = a x b)	243.9p	230.3p	241.3p	248.2p
Opening NAV per share/share price	(d)	237.3p	244.0p	175.2p	161.5p
Total return	(c ÷ d) - 1	2.8%	(5.6%)	37.7%	53.7%

* The dividend adjustment factor is calculated on the assumption that the dividends of 2.42p (2020 – 3.10p) paid by the Company during the year were reinvested into shares of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

Ongoing Charges (APM)

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average net asset value. The ongoing charges have been calculated on the basis prescribed by The Association of Investment Companies.

Turnover (APM)

Turnover is calculated by dividing sales by the average of opening and closing assets, on an annualised basis.

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.

Equity gearing is the Company's borrowings adjusted for cash and cash equivalents expressed as a percentage of shareholders' funds.

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

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Leverage (APM)

For the purposes of the Alternative Investment Fund Managers (AIFM) Regulations, 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.

The Interim Financial Report will be available on the Company's page on the Managers' website bgukgrowthtrust.com on or around 14 December 2021.

Principal Risks and Uncertainties

The principal risks facing the Company are financial risk, investment strategy risk, discount risk, regulatory risk, custody and depositary risk, operational risk, cyber security risk, leverage risk and political risk. An explanation of these risks and how they are managed is set out on pages 7 and 8 of the Company's Annual Report and Financial Statements for the year to 30 April 2021 which is available on the Company's website: bgukgrowthtrust.com The principal risks and uncertainties have not changed since the date of that report.

‡ Neither the contents of the Managers' website nor the contents of any website accessible from hyperlinks on the Managers' website (or any other website) is incorporated into, or forms part of, this announcement.

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

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Baillie Gifford UK 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 UK 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 gov.uk/government/publications/exchange-of-information-account-holders.

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