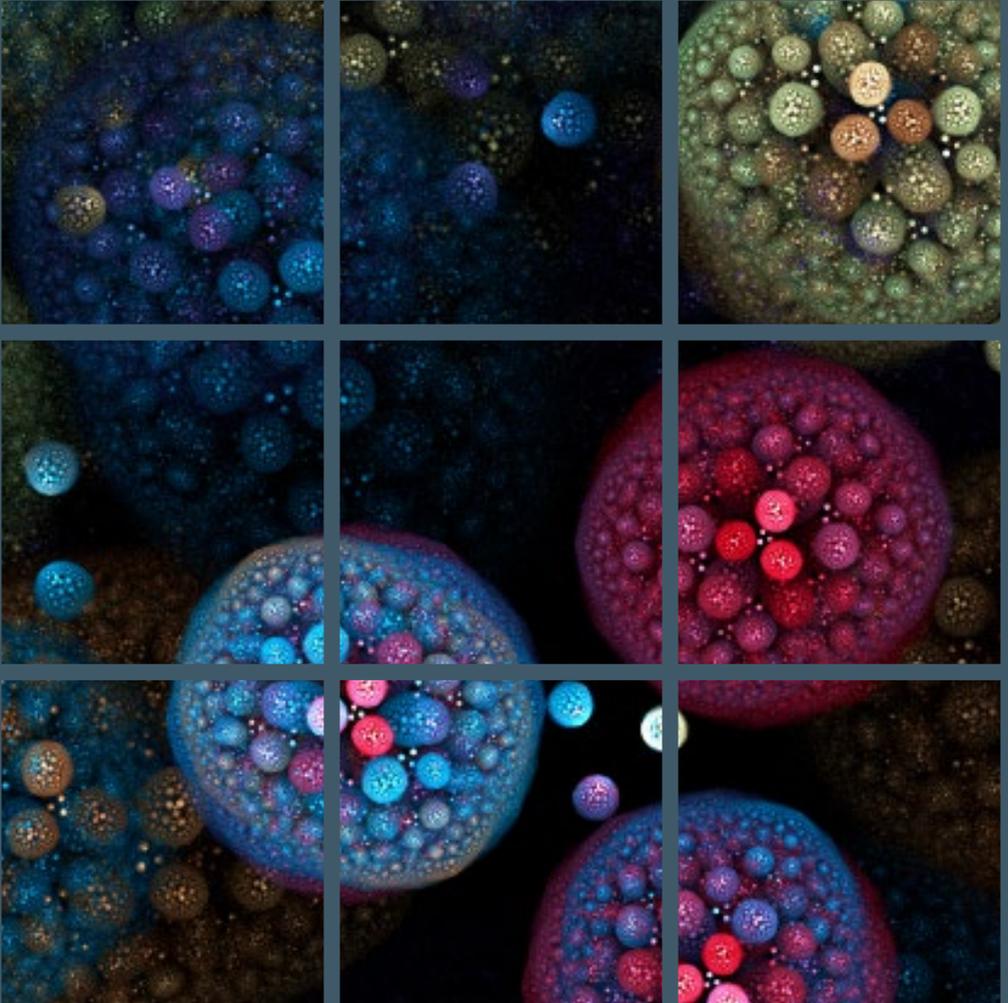


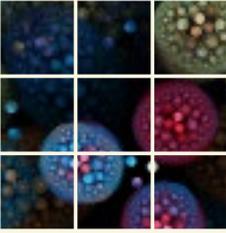
# BAILLIE GIFFORD US GROWTH TRUST plc

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Interim Financial Report  
For the period 7 February 2018 to 30 November 2018





The 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.

## Investment Objective

The Company's investment objective is to produce long term capital growth.

## Investment Policy

The Company will invest predominantly in equities of companies which are incorporated or domiciled, or which conduct a significant portion of their business, in the United States and which the Company believes have the potential to grow substantially faster than the average company over the long term. Such investment will typically be direct, but may be indirect, including through investment in funds.

The maximum direct investment in any one holding or fund will be limited to 10 per cent. of the Company's total assets measured at the time of investment.

The portfolio will consist of holdings in listed securities and unlisted securities in up to a combined maximum of 90 holdings, typically with 30 to 50 listed security holdings. The maximum amount which may be invested in unlisted securities shall not exceed 50 per cent. of the total assets of the Company, measured at the time of investment.

The Company will at all times be invested in several sectors. While there are no specific limits placed on exposure to any one sector, the Company will at all times invest and manage the portfolio in a manner consistent with spreading investment risk.

With prior approval of the Board, the Company may use derivatives for the purposes of efficient portfolio management (in order to reduce, transfer or eliminate investment risk in the Company's portfolio). Derivative instruments in which the Company may invest may include foreign exchange forwards, exchange-listed and over-the-counter options, futures, options on futures, swaps and similar instruments. The Board, however, currently does not expect to enter into derivative or hedging transactions to mitigate against currency or interest rate risk.

The Board intends to employ gearing in the normal course of events. The Company may in aggregate borrow amounts equalling up to 30 per cent. of the net asset value of the listed securities held by

the Company, calculated at the time of drawdown, although the Board expects that borrowings will typically represent an amount in the range of 10 to 20 per cent. of the net asset value of the listed securities held by the Company.

While it is intended that the Company will be fully invested in normal market conditions, the Company may hold cash on deposit or invest on a temporary basis in a range of cash equivalent instruments. The Board does not expect that the Company will hold cash or cash equivalent instruments, but there is no restriction on the amount of cash or cash equivalent instruments that the Company may hold.

## Comparative Index

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

## 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 period of the financial year and their impact on the condensed set of financial statements and a description of 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 (being related party transactions that have taken place in the first period of the current financial year and that have materially affected the financial position or performance of the entity during that period).

By order of the Board  
Tom Burnet  
Chairman  
21 January 2019

## Summary of Unaudited Results\*

For the period from 23 March 2018, launch date and first trade date, to 30 November 2018

	30 November 2018	23 March 2018 †	% change
Total assets (before deduction of loans)	£259.8m	£169.5m	
Borrowings	£5.5m	–	
Shareholders' funds	£254.3m	£169.5m	
Net asset value per ordinary share	116.35p	97.96p	18.8
Share price	116.60p	100.50p	16.0
Comparative index (in sterling terms)# ‡	4,920.71	4,105.04	19.9
Premium	0.2%	2.6%	
Active share (relative to S&P 500 Index)	91%		
Number of shares in issue	218,600,000		
Market capitalisation	£254.9m		

	Period from 7 February 2018 ¶ to 30 November 2018
Revenue earnings per share	(0.69p)

	Period from 23 March 2018 †, launch and first day of trading, to 30 November 2018	
Period's high and low	High	Low
Net asset value per ordinary share	132.84p	94.12p
Share price	135.60p	100.50p
Premium/(discount)	9.6%	(1.5%)

### Notes

\* For a definition of terms see Glossary of Terms on page 20.

† Close of business on 23 March 2018.

# S&P 500 Index total return (in sterling terms). See disclaimer on page 21.

‡ Source: Refinitiv and relevant underlying index providers. See disclaimer on page 21.

¶ Date of incorporation of the Company.

Past performance is not a guide to future performance.

# Interim Management Report

This report for Baillie Gifford US Growth Trust plc (the 'Company') covers the period from incorporation on 7 February 2018 to 30 November 2018. The Company raised gross proceeds of £173 million at launch on 23 March 2018 and, as at 30 November 2018, had net assets of £254.3 million.

## Investment Performance

During the period from 23 March 2018, launch date and first trade date, to 30 November 2018, the Company's share price and NAV returned 18.8 per cent. and 16.0 per cent. respectively. This compares with a total return of 19.9 per cent. for the S&P 500 Index\* (in sterling terms). We would ask shareholders to judge performance over periods of five years or more.

We aim to identify the exceptional growth companies in America and hold on to them for long periods of time. In doing so, we hope to capture the upside inherent in their business models. We believe it would be a mistake to dilute these exceptional companies in the name of diversification, so we run a concentrated portfolio: as at 30 November 2018 we held 48 stocks, with just under 50% in the top ten names, and over 9% in our largest holding. We believe this focused, long-term approach gives us the best chance of achieving significant wealth creation for our investors.

For most of Baillie Gifford's history the stock market has been the best method to access exceptional growth companies. While this remains predominantly true today, Baillie Gifford's observation is that many companies are now choosing to stay private for longer. The median age of a company at IPO has risen from around seven years in the 1980s to around 12 years today. At the same time, the number of companies listed on US exchanges has shrunk by half over the last two decades.

Baillie Gifford US Growth Trust plc was launched to give Baillie Gifford the flexibility to invest across the public and private markets. We want to own the exceptional growth companies in the US regardless of their listed status. In doing so, we hope to enhance our ability to add value for shareholders over the long term.

## Portfolio

The proceeds of the IPO were initially invested in a portfolio of listed securities largely mirroring the Baillie Gifford American Fund. Between then and the end of the reporting period, we have sold two stocks in which we had less conviction and made eight new

purchases. Seven of the new purchases are unlisted investments, including Lyft, the on-demand transportation company, and Slack, the workplace communications platform. Unlisted investments accounted for approximately 6.5% of total assets as at 30 November 2018. Since then, we have made a further two unlisted investments and their share of total assets has risen to almost 10% (as of 18 January 2019). We have been delighted by the private investment opportunities that we have been able to gain access to for the Company.

## Outlook

Share price volatility has increased recently but we remain resolutely focused on the long-term potential of the businesses that we own. In aggregate the Company's holdings continue to make excellent operational progress. Volatility often creates opportunities for genuinely long-term investors and, since the end of the reporting period, we have added to a handful of holdings which have been disproportionately, and we believe unfairly, discounted in the broader market sell off.

Indeed, despite what the headlines might imply, we remain convinced that these are exciting times for growth investors. The world is going through a period of almost unprecedented change, driven by the convergence of a multitude of technologies such as the internet, mobile devices and machine learning. The associated disruption was initially concentrated in a couple of big and important sectors, like retail and advertising, but it seems to be speeding up and broadening out. There will be huge value creation and destruction on either side of this change. Political and macro considerations are unlikely to have a significant influence on the magnitude or trajectory. If we succeed in our aim – to own the exceptional growth companies that are driving this progress – then the rewards ought to be very significant. We are helped enormously by the fact that we have the backing of shareholders to invest across the broad spectrum of both public and private growth companies in the US.

The principal risks and uncertainties facing the Company are set out on pages 16 and 17. The Board has specifically considered the market uncertainty arising from the UK's negotiations to leave the European Union and can see no scenario that it believes would affect the going concern status or viability of the Company.

For a definition of terms see Glossary of Terms on page 20.

\* See disclaimer on page 21.

Past performance is not a guide to future performance.

## List of Investments as at 30 November 2018 (unaudited)

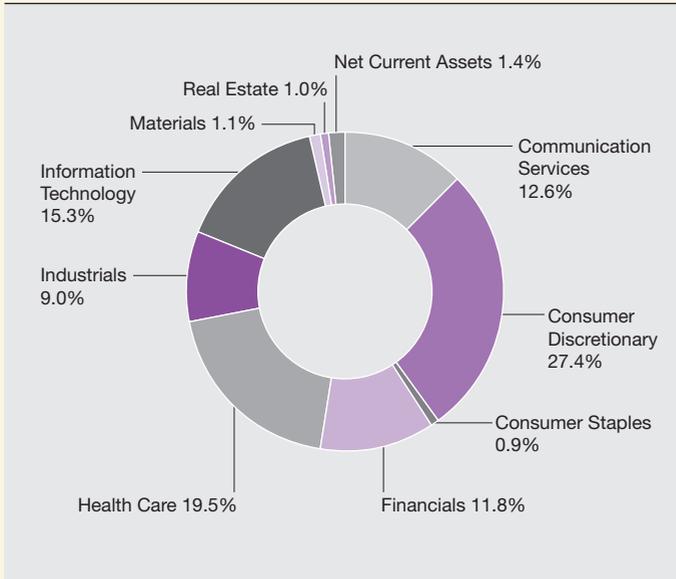
Name	Business	2018 Value £'000	2018 % of total assets *
<b>Listed Securities</b>			
Amazon.com	Online retailer	24,193	9.3
Tesla, Inc	Electric cars, autonomous driving and solar energy	15,369	5.9
Illumina	Gene sequencing equipment and consumables	12,553	4.8
Netflix Inc	Subscription service for TV shows and movies	11,712	4.5
MarketAxess Holdings	Electronic bond trading platform	11,361	4.4
ABIOMED	Manufacturer of medical implant devices	11,110	4.3
Alphabet Inc Class A	Online search engine	11,025	4.2
Grubhub	Online and mobile platform for restaurant pick-up and delivery orders	10,623	4.1
Wayfair Inc	Online furniture and homeware retailer	9,534	3.7
Facebook Class A	Social networking website	8,445	3.2
Mastercard Inc, Class A	Global electronic payments network and related services	8,376	3.2
First Republic Bank	US retail bank	8,205	3.2
Tableau Software Class A	Analytics software	5,835	2.2
Watsco Inc	Distributes air conditioning, heating and refrigeration equipment	5,382	2.1
Shopify 'A'	A cloud-based commerce platform provider	5,312	2.0
Vertex Pharmaceuticals	Pharmaceuticals company	4,195	1.6
Interactive Brokers Group	Global electronic investment platform	4,121	1.6
CoStar Group	Provides building-specific information to the US commercial real estate industry	4,062	1.6
The Trade Desk	Advertising technology company	3,937	1.5
Glaukos Corp	Ophthalmic medical technology company	3,811	1.5
Markel Corp	Markets and underwrites speciality insurance products	3,673	1.4
Novocure	Manufacturer of novel blood clot extraction technology	3,671	1.4
Fortive Corp	Diversified industrial growth company	3,603	1.4
Wabtec	Technology products and services provider for the rail industry	3,590	1.4
Penumbra Inc	Medical devices manufacturer	3,419	1.3
New Relic Inc	Cloud based performance management solutions provider	3,257	1.3
TD Ameritrade	Online brokerage firm	3,243	1.2
Anylam Pharmaceuticals	Therapeutic gene silencing	3,155	1.2

Name	Business	2018 Value £'000	2018 % of total assets *
Stitch Fix	Online clothing retailer	3,154	1.2
Under Armour Inc Class C	Develops, markets and distributes branded performance products	3,037	1.2
Martin Marietta Materials	Cement and aggregates manufacturer	2,968	1.1
Chegg	Online educational company	2,933	1.1
Ellie Mae	Provides technology solutions to automate mortgage origination process	2,765	1.1
Redfin	Technology-based real estate brokerage firm	2,727	1.0
HEICO 'A'	Designs, manufactures and sells aerospace products and services	2,484	1.0
NVIDIA	Visual computing technology	2,440	0.9
Denali Therapeutics	Biotechnology company seeking to develop therapies for neurodegenerative diseases	2,298	0.9
DistributionNOW Inc	Oilfield drilling equipment distributor	2,244	0.9
Celgene	Biopharmaceutical company	2,035	0.8
Agios Pharmaceuticals Inc	Developer of small-molecule anti-cancer therapeutics	1,968	0.8
Activision Blizzard Inc	Multiplayer game software	1,513	0.6
<b>Total Listed Securities</b>		<b>239,338</b>	<b>92.1</b>
<b>Unlisted Securities</b>			
Tanium Inc Class B	Online security management	3,135	1.2
Butterfly Network Inc Series D Preferred	Develops medical imaging devices	2,351	0.9
Indigo Agriculture Inc Series E Preferred	Analyses plant microbiomes to increase crop yields	2,351	0.9
Lyft Inc Series I Preferred	On-demand transportation company	2,351	0.9
Peloton Interactive Inc Series F Preferred	Sells at home fitness equipment with access to live streaming and on demand classes	2,351	0.9
Slack Technologies Inc Series H Preferred	Collaboration software	2,351	0.9
Zipline International Inc Series C Preferred	Logistics company that designs, manufactures and operates drones to deliver medical supplies	1,881	0.8
<b>Total Unlisted Securities</b>		<b>16,771</b>	<b>6.5</b>
<b>Total Investments</b>		<b>256,109</b>	<b>98.6</b>
Net Current Assets		3,713	1.4
<b>Total Assets</b>		<b>259,822</b>	<b>100.0</b>

\* Total assets less current liabilities before deduction of borrowings.

# Distribution of Total Assets\*

Sectoral as at 30 November 2018



\* Total assets less current liabilities before deduction of borrowings.

## Income Statement (unaudited)

For the period from 7 February 2018 to 30 November 2018

	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000
Gains on sales of investments	–	758	<b>758</b>
Movement in investment holding gains	–	27,507	<b>27,507</b>
Currency gains	–	1,025	<b>1,025</b>
Income from investments and interest receivable	406	–	<b>406</b>
Investment management fee (note 3)	(1,048)	–	<b>(1,048)</b>
Other administrative expenses	(315)	–	<b>(315)</b>
<b>Net return before finance costs and taxation</b>	(957)	29,290	<b>28,333</b>
Finance costs of borrowings	(142)	–	<b>(142)</b>
<b>Net return on ordinary activities before taxation</b>	(1,099)	29,290	<b>28,191</b>
Tax on ordinary activities	(58)	–	<b>(58)</b>
<b>Net return on ordinary activities after taxation</b>	<b>(1,157)</b>	<b>29,290</b>	<b>28,133</b>
<b>Net return per ordinary share</b> (note 4)	<b>(0.69p)</b>	<b>17.52p</b>	<b>16.83p</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 on ordinary activities after taxation is both the profit and comprehensive income for the period.

# Balance Sheet (unaudited)

As at 30 November 2018

	2018 £'000	2018 £'000
<b>Fixed assets</b>		
Investments held at fair value through profit or loss (note 6)		256,109
<b>Current assets</b>		
Debtors	170	
Cash and cash equivalents	4,361	
	4,531	
<b>Creditors</b>		
Amounts falling due within one year (note 7)	(6,304)	
<b>Net current liabilities</b>		(1,773)
<b>Net assets</b>		<b>254,336</b>
<b>Capital and reserves</b>		
Share capital		2,186
Share premium account		55,075
Special distributable reserve		168,942
Capital reserve		29,290
Revenue reserve		(1,157)
<b>Shareholders' funds</b>		<b>254,336</b>
<b>Net asset value per ordinary share</b>		<b>116.35p</b>
<b>Ordinary shares in issue</b>		<b>218,600,000</b>

## Statement of Changes in Equity (unaudited)

For the period from 7 February 2018 to 30 November 2018

	Redeemable preference shares £'000	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve *	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 7 February 2018	–	–	–	–	–	–	–
Redeemable preference shares issued (note 8)	50	–	–	–	–	–	50
Ordinary shares issued (note 8)	–	2,186	224,017	–	–	–	226,203
Redemption of redeemable preference shares (note 8)	(50)	–	–	–	–	–	(50)
Cancellation of share premium (note 8)	–	–	(168,942)	168,942	–	–	–
Net return on ordinary activities after taxation	–	–	–	–	29,290	(1,157)	28,133
<b>Shareholders' funds at 30 November 2018</b>	<b>–</b>	<b>2,186</b>	<b>55,075</b>	<b>168,942</b>	<b>29,290</b>	<b>(1,157)</b>	<b>254,336</b>

\* The capital reserve as at 30 November 2018 includes investment holding gains of £27,507,000.

## Cash Flow Statement (unaudited)

For the period from 7 February 2018 to 30 November 2018

	2018 £'000	2018 £'000
<b>Cash flows from operating activities</b>		
Net return on ordinary activities before taxation		28,191
Net gains on investments		(28,265)
Currency gains		(1,025)
Finance costs of borrowings		142
Overseas withholding tax		(55)
Changes in debtors and creditors		267
<b>Cash from operations*</b>		(745)
Finance costs paid		(104)
<b>Net cash outflow from operating activities</b>		(849)
<b>Cash flows from investing activities</b>		
Acquisitions of investments	(232,233)	
Disposals of investments	4,729	
<b>Net cash outflow from investing activities</b>		(227,504)
<b>Cash flows from financing activities</b>		
Ordinary shares issued	226,203	
Bank loans drawn down	5,380	
<b>Net cash inflow from financing activities</b>		231,583
<b>Increase in cash and cash equivalents</b>		3,230
Exchange movements		1,131
Cash and cash equivalents at 7 February 2018		–
<b>Cash and cash equivalents at 30 November 2018</b>		<b>4,361</b>

\* Cash from operations includes dividends received in the period of £369,000 and interest received of £17,000.

# Notes to the Condensed Financial Statements (unaudited)

- 1 Baillie Gifford US Growth Trust plc (the 'Company') was incorporated on 7 February 2018 under the Companies Act 2006 in England and Wales as a public limited company with registered number 11194060. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust.

The condensed Financial Statements for the period from 7 February 2018 to 30 November 2018 comprise the statements set out on pages 6 to 9 together with the related notes on pages 10 to 15. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the Association of Investment Companies ('AIC') Statement of Recommended Practice issued in November 2014, updated in February 2018 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 period from 7 February 2018 to 30 November 2018 have been prepared on the basis of the accounting policies as set out below.

## Principal Accounting Policies

The Company was incorporated on 7 February 2018 and therefore no comparative information has been provided.

### (a) Basis of Accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value through profit or loss, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 will be retained. The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable UK Accounting Standards, Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the AIC in November 2014 and updated in February 2018 with consequential amendments and with the Standards for Investment Company Reporting 2000 (revised), as is applicable to the historical financial information.

In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement.

The Directors consider the Company's functional currency to be sterling, as the entity is listed on a sterling stock exchange in the UK, the Company's shareholders are predominantly based in the UK, and the Company and its investment managers, who are subject to the UK's regulatory environment, are also UK based.

### (b) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when it becomes a party to the contractual provisions of the instrument.

### (c) Accounting Estimates, Assumptions and Judgements

The preparation of the Financial Statements requires the use of estimates, assumptions and judgements. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities, at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the fair valuation of the unlisted securities.

**(d) Investments**

The Company's investments are classified, recognised and measured at fair value through profit or loss in accordance with sections 11 and 12 of FRS 102. Changes in fair value of investments and gains and losses on disposal are recognised as capital items in the Income Statement.

***Purchases and sales***

Purchases and sales of investments are recognised on a trade date basis. Expenses incidental to purchase and sale are written off to capital at the time of acquisition or disposal. All investments are designated as held at fair value through profit or loss on initial recognition and are measured at subsequent reporting dates at fair value.

***Listed investments***

The fair value of listed security investments is the last traded price on recognised overseas exchanges.

***Unlisted investments***

Unlisted securities are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). The principal methodologies can be categorised as follows: (a) market approach (multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets).

The Managers monitor the investment portfolio on a fair value basis and use the fair value basis for investments in making investment decisions and monitoring financial performance.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day.

**(f) Financial Liabilities**

Bank loans and overdrafts are classified as loans and are measured at amortised cost. They are initially recorded at the proceeds received net of direct costs.

**(g) Income From Investments and Interest Receivable**

- (i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.
- (ii) If scrip dividends are taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue column of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital column of the Income Statement.
- (iii) Special dividends are treated as capital or income depending on the facts of each particular case.
- (iv) Overseas dividends include the taxes deducted at source.
- (v) Interest receivable on bank deposits and underwriting commission are recognised on an accruals basis.

## Notes to the Condensed Financial Statements (unaudited)

### (h) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except as follows: where they relate directly to the acquisition or disposal of an investment (transaction costs), in which case they are recognised as capital within losses/gains on investments; and where they are connected with the maintenance or enhancement of the value of investments. Expenses directly relating to the issuance of shares are deducted from the proceeds of such issuance.

### (i) Finance Costs

Finance costs are accounted for on an accruals basis and on an effective interest rate basis and are charged through the revenue column of the Income Statement.

### (j) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted at the reporting date.

### (k) Deferred Taxation

Deferred taxation is provided on all timing differences, calculated at the current tax rate relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

### (l) Foreign Currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement as capital or revenue as appropriate. Foreign exchange movements on investments are included in the Income Statement within gains or losses on investments.

### (m) Capital Reserve

Gains and losses on disposal of investments, changes in the fair value of investments held and realised and unrealised foreign exchange differences of a capital nature are dealt with in this reserve after being recognised in the Income Statement. Purchases of the Company's own shares may be funded from this reserve.

### (n) Single Segment Reporting

The Company is engaged in a single segment of business, being investment business, consequently no business segmental analysis is provided.

### (o) Significant Estimates and Judgements

The Directors consider the key sources of estimation and uncertainty relate to the assumptions used in the determination of the fair value of the unlisted securities. The Directors believe that there is one other key judgement, being the functional currency of the Company. Although the Company invests in US dollar investments, it has been determined that the functional currency is sterling as the entity is listed on a sterling stock exchange in the UK, the Company's shareholders are predominantly based in the UK, and the Company and its investment managers, who are subject to the UK's regulatory environment, are also UK based.

## Going Concern

Having considered the nature of the Company's principal risks and uncertainties, as set out on pages 16 and 17, 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 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. 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.
- 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. 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.

	Period from 7 February 2018 to 30 November 2018 £'000
<b>4 Net return per ordinary share</b>	
Revenue return on ordinary activities after taxation	(1,157)
Capital return on ordinary activities after taxation	29,290
<b>Total return</b>	<b>28,133</b>
<b>Weighted average number of ordinary shares in issue</b>	<b>167,070,439</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 the period. There are no dilutive or potentially dilutive shares in issue.

- 5 There are no dividends paid or proposed for the period from 7 February 2018 to 30 November 2018.

# Notes to the Condensed Financial Statements (unaudited)

## 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 (that is the least reliable or least independently observable) 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).

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 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed securities	239,338	–	–	<b>239,338</b>
Unlisted securities	–	–	16,771	<b>16,771</b>
<b>Total financial asset investments</b>	<b>239,338</b>	<b>–</b>	<b>16,771</b>	<b>256,109</b>

The valuation techniques used by the Company are explained in the accounting policies in note 1. 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.

**7** At 30 November 2018 creditors falling due within one year include borrowings of US\$7,000,000 (sterling value £5,486,000) drawn down under a US\$25,000,000 five year revolving credit facility with ING Bank N.V., London Branch which expires on 1 August 2023.

**8** On incorporation, the share capital of the Company was £50,000.01 represented by one ordinary share with a nominal value of 1p and 5,000,000 redeemable preference shares of nominal value of 1p, which were held by Baillie Gifford & Co Limited to allow the Company to commence business and to exercise its borrowing powers. The redeemable preference shares were to be redeemed upon Admission out the proceeds of the Issue.

In its IPO on 23 March 2018, the Company issued 172,999,999 ordinary shares of 1p and raised gross proceeds of £173,000,000 which was used to finance the initial investments of the Company. The issue costs in respect of the initial investment were £2,273,000, which were made up of set up costs of £453,000 and commission of £1,820,000.

On 26 June 2018 the Company, by special resolution, redeemed the redeemable preference shares as confirmed by an Order of the High Court of Justice, Chancery Division. At that date, as approved by a special resolution passed on 5 March 2018, the amount outstanding on the Company's share premium account immediately following the issue on 23 March 2018 was reduced by £168,942,000 in order to create distributable reserves which could be used for the repurchase of shares and to enable or to fund the payment of dividends.

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 period from IPO, 23 March 2018, to 30 November 2018 the Company issued a total of 45,600,000 shares on a non pre-emptive basis (nominal value £456,000, representing 26.4% of the issued share capital at 23 March 2018) at a premium to net asset value (on the basis of debt valued at par value), raising net proceeds of £55,476,000, which has been invested in accordance with the Company's investment policy.

In the period from 30 November 2018 to 21 January 2019 the Company has issued a further 400,000 shares at a premium to net asset value, raising net proceeds of £444,000.

The Company has authority to buy back up to 75,000,000 shares on an ad hoc basis. No shares were bought back in the period to 30 November 2018. At 30 November 2018 the Company had authority to buy back a further 75,000,000 ordinary shares.

- 9** During the period the Company incurred transaction costs on purchases of investments of £46,000 and transaction costs on sales of £2,000.

## **10 Related Party Transactions**

### **Transactions with Related Parties and the Manager and Company Secretary**

There have been no transactions with related parties during the first period, 7 February 2018 to 30 November 2018, of the current financial year that have materially affected the financial position or the performance of the Company during that period.

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles.

The Directors' current level of remuneration is £22,500 per annum for each Director other than the Chairman, who receives an additional £10,000 per annum, and chairperson of the Audit Committee, who receives an additional £4,500 per annum.

All of the Directors will also be entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses will include those associated with attending general Board or committee meetings and legal fees. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

Each of the Directors subscribed for 50,000 ordinary shares of the Company in the initial issue.

No Director has a contract of service with the Company. During the period no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

Details of the management contract are set out in note 3. The management fee payable to the Manager by the Company for the period to 30 November 2018 was £1,048,000 of which £387,000 was outstanding at 30 November 2018.

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

## Principal Risks

There is a process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. A description of these risks and how they are being managed or mitigated is set out below:

**Financial Risk** – the Company's assets consist mainly of listed securities and its principal financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

As oversight of this risk, the Board considers at each meeting various metrics including industrial sector weightings, top and bottom stock contributors to performance and sales and purchases of investments. Individual investments are discussed with the portfolio managers together with their general views on the various investment markets and sectors. A strategy meeting is held annually.

**Investment Strategy Risk** – pursuing an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their net asset value. To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register.

**Discount Risk** – the discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company. The Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares, when deemed by the Board to be in the best interests of the Company and its shareholders.

**Regulatory Risk** – failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the UKLA Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.

**Custody and Depositary Risk** – safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security. To monitor potential risk, the Audit Committee receives six monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers. The Custodian's audited internal controls reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns investigated. In addition, the existence of assets is subject to annual external audit.

**Unlisted Investments** – the Company's risk could be increased by its investment in unlisted securities. These assets may be more difficult to buy or sell, so changes in their prices may be greater. To mitigate this risk, the Board considers the unlisted securities in the context of the overall investment strategy and provides guidance to the Managers on the maximum exposure to unlisted securities.

**Operational Risk** – failure of Baillie Gifford’s systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster. The Audit Committee reviews Baillie Gifford’s Report on Internal Controls and the reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board.

**Leverage Risk** – the Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the impact of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. The Company can also make use of derivative contracts. All borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting. Covenant levels are monitored regularly. The majority of the Company’s investments are in quoted securities that are readily realisable.

**Political and Associated Economic Risk** – the Board is of the view that political change in areas in which the Company invests or may invest may have practical consequences for the Company. Political developments are closely monitored and considered by the Board. The Board has noted the UK Government’s intention that the UK should leave the European Union on 29 March 2019. Whilst there is considerable uncertainty at present, the Board will continue to monitor developments as they occur and assess the potential consequences for the Company’s future activities.

## Further Shareholder Information

Baillie Gifford US Growth Trust plc shares are traded on the London Stock Exchange. They can be bought through a stockbroker, by asking a professional adviser to do so.

### 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, fax 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 Registrars 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.

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 ('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.

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.

US Growth can borrow 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.

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.

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.

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

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

US Growth's risk is increased as it holds fewer investments than a typical investment trust and the effect of this, together with its long term approach to investment, could result in large movements in the share price.

The aim of US Growth is to achieve capital growth. You should not expect a significant, or steady, annual income from the Company.

Baillie Gifford US Growth Trust plc is a UK public listed company and as such complies with the requirements of the UK Listing Authority and 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.

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

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

# Glossary of Terms (including Alternative Performance Measures)

## 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 par value as described below. Per share amounts are calculated by dividing the relevant figure by the number of ordinary shares in issue.

## Borrowings at Par Value#

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

## Borrowings at Fair Value#

Borrowings are valued at an estimate of their market worth.

## Net Liquid Assets

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

## Discount/Premium#

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, this situation is called a premium.

## Total Return#

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

## Ongoing Charges#

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 debt at fair value).

## Gearing

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.

## Leverage

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#

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.

#Alternative performance measure which is considered to be a known industry metric.

## Third Party Data Provider Disclaimer

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## S&P Index Data

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SP Inglis  
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## Independent Auditor

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