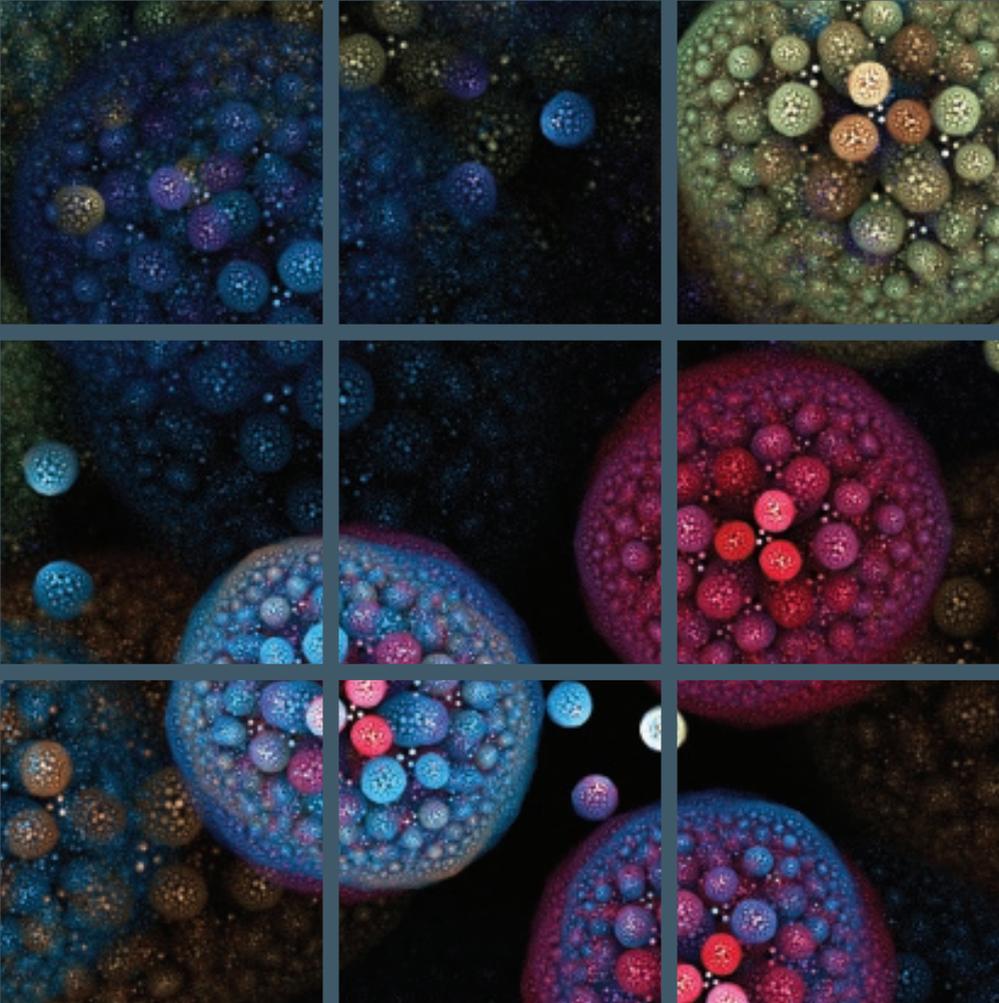


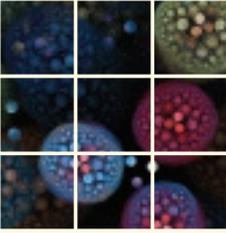
# BAILLIE GIFFORD US GROWTH TRUST plc

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Interim Financial Report  
30 November 2019





## 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, investment strategy risk, discount risk, regulatory risk, custody and depositary risk, unlisted investments, operational risk, leverage risk and political and associated economic risk. An explanation of these risks and how they are managed is set out on page 5 of the Company's Annual Report and Financial Statements for the period from 7 February 2018 to 31 May 2019 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.

## 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  
20 January 2020

## Summary of Unaudited Results\*

|   | 30 November<br>2019 | 31 May<br>2019 | % change |
|---|---------------------|----------------|----------|
| Total assets (before deduction of borrowings) | £343.8m             | £301.8m        |          |
| Borrowings                                    | £13.9m              | £11.9m         |          |
| Shareholders' funds                           | £329.9m             | £289.9m        |          |
| Net asset value per ordinary share            | 135.69p             | 126.17p        | 7.5      |
| Share price                                   | 138.25p             | 129.00p        | 7.2      |
| Comparative index (in sterling terms)#‡       |                     |                | 12.3     |
| Premium†                                      | 1.9%                | 2.2%           |          |
| Active share (relative to S&P 500 Index)†     | 91%                 | 91%            |          |
| Number of shares in issue                     | 243,155,000         | 229,800,000    |          |
| Market capitalisation                         | £336.2m             | £296.4m        |          |

|                            | Six months<br>to 30 November<br>2019 | Period from<br>7 February 2018 ¶<br>to 30 November<br>2018 |
|----------------------------|--------------------------------------|--|
| Revenue earnings per share | (0.48p)                              | (0.69p)  |

|                                    | Six months<br>to 30 November 2019 |         | Period from 23 March 2018 §,<br>launch and first day of trading,<br>to 31 May 2019 |         |
|------------------------------------|-----------------------------------|---------|--|---------|
| Period's high and low              | High                              | Low     | High   | Low     |
| Net asset value per ordinary share | 146.28p                           | 123.09p | 132.84p  | 94.12p  |
| Share price                        | 149.50p                           | 125.50p | 135.60p  | 100.50p |
| Premium/(discount)†                | 5.0%                              | (2.2%)  | 10.3%  | (1.5%)  |

|   | 30 November<br>2019 | 23 March<br>2018 § | % change |
|---|---------------------|--------------------|----------|
| <b>Performance since inception</b>      |                     |                    |          |
| Net asset value per ordinary share      | 135.69p             | 97.96p             | 38.5%    |
| Share price                             | 138.25p             | 100.50p            | 37.6%    |
| Comparative index (in sterling terms)#‡ |                     |                    | 37.3%    |

### Notes

\* For a definition of terms see Glossary of Terms and Alternative Performance Measures on page 15.

† Alternative Performance Measure, see Glossary of Terms and Alternative Performance Measures on page 15.

# S&P 500 Index total return (in sterling terms). See disclaimer on page 17.

‡ Source: Refinitiv and relevant underlying index providers. See disclaimer on page 17.

¶ Date of incorporation of the Company.

§ Close of business on 23 March 2018.

Past performance is not a guide to future performance.

# Interim Management Report

We aim to identify and purchase 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.

## Investment Performance

During the period from 31 May 2019 to 30 November 2019, the Company's share price and NAV returned 7.2 per cent. and 7.5 per cent. respectively. This compares with a total return of 12.3 per cent. for the S&P 500 Index\* (in sterling terms). During the period from 23 March 2018, launch date and first trade date, to 30 November 2019, the Company's share price and NAV returned 37.6 per cent. and 38.5 per cent. respectively. This compares with a total return of 37.3 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

We launched the Company in March 2018 because we believe there is a once in a generation opportunity to invest in the new leaders of the economy. We have often talked about how technological disruption is broadening out to sectors of the economy that have been hitherto immune.

Disruption is a process, not a technology, and it is only with significant time-lags that the fruits of technological revolutions can be reaped. We are still discovering the fruits of the internet/software/mobile revolution today. These technologies are the building blocks for new and disruptive models that rearrange business paradigms. Businesses that emerge from this revolution often serve consumers in different and better ways. Consequently, demand shifts from incumbents to a new generation of companies that can best harness these technologies. This means that growth can be, and often is, independent of economic growth. Nowhere is this more true than with Amazon, the Company's largest holding, where we saw an acceleration in Amazon's North American retail sales despite lacklustre US retail sales, as consumers continue to shift spending from offline to online.

In markets that are earlier in the adoption curve, the competitive landscape is still fluid. We witnessed this in the food ordering market where Grubhub, which had more than 50% market share only two years ago, is now growing more slowly in the face of competition from new entrants with different business models.

While Amazon, Alphabet and Microsoft have established themselves as the dominant companies of the current technological paradigm, we are encouraged by a new generation of companies that are emerging with equally large opportunities, establishing themselves at the

platform layer. Shopify, one of the larger holdings, is one such company that is becoming the retail operating system upon which other businesses are built. Stripe, a new unquoted investment, is a company that is building the commercial infrastructure of the internet. In both these cases, the companies operate horizontally and globally, and have potential to become the economic fabric of the digital age. Their impact is only getting started and, should they be successful, will be felt for decades to come.

In an era of great disruption, we must remain vigilant and open-minded. Disruptors can be disrupted, not only by other companies, but also by changing societal winds. For example, the rise in popularity of apps such as TikTok suggests that social media may be subject to generational shifts in preferences. We cannot always predict these shifts in advance but we aspire to back the companies which are adaptable and can respond to them.

## Unlisted Investments

The unlisted part of our portfolio continues to grow, despite two of our unlisted holdings, Slack and Peloton, coming to the public market during the period. We ended November 2019 with 15 unlisted investments, representing approximately 14% of the Company's assets, up from approximately 11% at the end of May 2019. These percentages will ebb and flow and we do not manage the portfolio to a certain percentage target in unlisted investments. We have been pleased by some of our new additions, and we believe our ability and willingness to invest in unlisted companies will be important to the Company's future returns.

## Outlook

As we reflect on the previous decade and look towards the next, we remain optimistic on the potential for technological progress to power sustainable increases in share prices. We are moving from the exploration age into the deployment age where new markets and business models that were created in the past decade will grow and become the new normal. Technology will become ubiquitous and extend into all parts of society. We will no longer talk about 'internet-enabled' businesses, no more than we talk about 'electricity-enabled' businesses. This will become table-stakes and embedded in our expectations. The technology is maturing, but the opportunity is only beginning. As technology becomes ubiquitous, so will innovation itself. Innovation is the new normal.

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

\* Source: Refinitiv and relevant underlying index providers. See disclaimer on page 17.

For a definition of terms see Glossary of Terms and Alternative Performance Measures on page 15.

Past performance is not a guide to future performance.

## List of Investments as at 30 November 2019 (unaudited)

| Name   | Business  | 2019 Value<br>£'000 | 2019 % of total assets * |
|--|---|---------------------|--------------------------|
| Amazon   | Online retailer and cloud computing provider                      | 25,982              | 7.6                      |
| Shopify Class A  | Cloud-based commerce platform provider                            | 15,743              | 4.6                      |
| Tesla  | Electric cars, autonomous driving and solar energy                | 14,675              | 4.3                      |
| Netflix  | Subscription service for TV shows and movies                      | 13,759              | 3.9                      |
| Alphabet Class A   | Online search and other online services                           | 13,172              | 3.8                      |
| MarketAxess Holdings   | Electronic bond trading platform                                  | 12,472              | 3.6                      |
| Mastercard Class A   | Global electronic payments network                                | 12,285              | 3.6                      |
| The Trade Desk   | Advertising technology company                                    | 12,196              | 3.5                      |
| Illumina   | Gene sequencing equipment and consumables                         | 12,044              | 3.5                      |
| Facebook Class A   | Social networking platform  | 11,943              | 3.5                      |
| Roku   | Online media player   | 10,728              | 3.1                      |
| Novocure   | Electric field based cancer therapies                             | 10,234              | 3.0                      |
| First Republic Bank  | Private banking   | 9,183               | 2.7                      |
| Wayfair  | Online furniture and homeware retailer                            | 8,271               | 2.4                      |
| CoStar Group   | Commercial property information provider                          | 6,839               | 2.0                      |
| ABIOMED  | Manufacturer of heart pumps                                       | 6,566               | 1.9                      |
| Space Exploration Technologies Series J Preferred <sup>Ⓢ</sup> | Rocket and spacecraft company                                     | 5,337               | 1.6                      |
| Space Exploration Technologies Series K Preferred <sup>Ⓢ</sup> | Rocket and spacecraft company                                     | 1,216               | 0.3                      |
|  |   | 6,553               | 1.9                      |
| Chegg  | Online education company  | 6,397               | 1.9                      |
| Watsco   | Air conditioning, heating and refrigeration equipment distributor | 6,337               | 1.8                      |
| Glaukos  | Ophthalmic medical technology company                             | 5,799               | 1.6                      |
| Peloton Interactive  | Connected fitness equipment                                       | 5,647               | 1.6                      |
| Grubhub  | Online take-out ordering  | 5,585               | 1.6                      |
| Penumbra   | Medical tools to treat vascular diseases                          | 5,025               | 1.5                      |
| Ahlyam Pharmaceuticals   | Therapeutic gene silencing  | 4,492               | 1.3                      |
| Convoy Series D Preferred <sup>Ⓢ</sup>                         | Marketplace for truckers and shippers                             | 3,865               | 1.1                      |
| Redfin   | Technology-based real estate brokerage firm                       | 3,802               | 1.1                      |
| Stripe Series G Preferred <sup>Ⓢ</sup>                         | Online payment platform   | 3,784               | 1.1                      |
| HEICO Class A  | Aerospace parts   | 3,649               | 1.1                      |
| JAND (Warby Parker) Series A Preferred <sup>Ⓢ</sup>            | Online and physical glasses retailer                              | 1,885               | 0.5                      |
| JAND (Warby Parker) Series C Preferred <sup>Ⓢ</sup>            | Online and physical glasses retailer                              | 1,594               | 0.5                      |
|  |   | 3,479               | 1.0                      |
| RigUp Series D Preferred <sup>Ⓢ</sup>                          | Jobs marketplace for the energy sector                            | 3,479               | 1.0                      |
| Interactive Brokers Group                                      | Online broker   | 3,458               | 1.0                      |
| Zipline International Series C Preferred <sup>Ⓢ</sup>          | Drone-based medical delivery                                      | 3,431               | 1.0                      |

## List of Investments as at 30 November 2019 (unaudited)

| Name   | Business  | 2019 Value<br>£'000 | 2019 % of total assets * |
|--|---|---------------------|--------------------------|
| Chewy  | Online pet supplies retailer  | 3,388               | 1.0                      |
| Fortive  | Diversified industrial company  | 3,373               | 1.0                      |
| Stitch Fix   | Online clothing retailer  | 3,276               | 1.0                      |
| Ginkgo Bioworks Series E Preferred <sup>Ⓞ</sup>    | Bioengineering company developing micro organisms that produce various proteins | 3,273               | 1.0                      |
| Away (JRSK) Series D Preferred <sup>Ⓞ</sup>        | Travel and lifestyle brand  | 1,866               | 0.5                      |
| Away (JRSK) Series Seed Preferred <sup>Ⓞ</sup>     | Travel and lifestyle brand  | 1,382               | 0.4                      |
|  |   | 3,248               | 0.9                      |
| NVIDIA   | Graphics chips  | 3,187               | 0.9                      |
| Yext   | Digital knowledge management  | 2,977               | 0.9                      |
| Thumbtack Class A <sup>Ⓞ</sup>                     | Online directory service for local businesses                                   | 2,943               | 0.9                      |
| Tanium Class B <sup>Ⓞ</sup>                        | Online security management  | 2,828               | 0.8                      |
| Zoom Video Communications                          | Remote conferencing service provider  | 2,782               | 0.8                      |
| Markel   | Specialty insurer   | 2,647               | 0.8                      |
| Zillow Group Class A                               | US online real estate services  | 2,622               | 0.8                      |
| Appian   | Enterprise software developer   | 2,585               | 0.8                      |
| New Relic  | Cloud-based performance management software                                     | 2,505               | 0.8                      |
| Activision Blizzard                                | Videogame company   | 2,481               | 0.7                      |
| Niantic Series C Preferred <sup>Ⓞ</sup>            | Augmented reality games   | 2,415               | 0.7                      |
| Lyft   | Ridesharing   | 2,398               | 0.7                      |
| Butterfly Network Series D Preferred <sup>Ⓞ</sup>  | Portable ultrasound and diagnostics   | 2,353               | 0.7                      |
| Aurora Innovation Series B Preferred <sup>Ⓞ</sup>  | Self-driving technology   | 2,319               | 0.7                      |
| Slack Technologies                                 | Collaboration software  | 2,215               | 0.6                      |
| Denali Therapeutics                                | Clinical stage neurodegeneration company  | 2,099               | 0.6                      |
| Indigo Agriculture Series E Preferred <sup>Ⓞ</sup> | Agricultural technology company   | 2,059               | 0.6                      |
| Affirm Series F Preferred <sup>Ⓞ</sup>             | Consumer finance  | 1,160               | 0.3                      |
| Affirm Series A Preferred <sup>Ⓞ</sup>             | Consumer finance  | 731                 | 0.2                      |
|  |   | 1,891               | 0.5                      |
| Moderna  | Therapeutic messenger RNA   | 1,852               | 0.5                      |
| 2U   | Educational technology company  | 1,325               | 0.4                      |
| DistributionNOW                                    | Oilfield drilling equipment distributor   | 1,100               | 0.3                      |
| <b>Total Investments</b>                           |   | <b>337,015</b>      | <b>98.0</b>              |
| Net Liquid Assets                                  |   | 6,832               | 2.0                      |
| <b>Total Assets</b>                                |   | <b>343,847</b>      | <b>100.0</b>             |

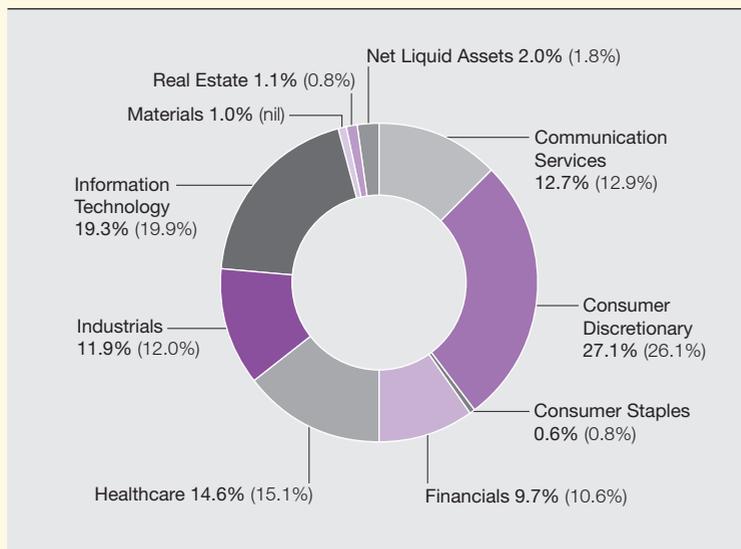
\* See Glossary of Terms and Alternative Performance Measures on page 15.

<sup>Ⓞ</sup> Denotes unlisted security.

## Distribution of Total Assets\* (unaudited)

### Sectoral Analysis as at 30 November 2019

(31 May 2019)



\* See Glossary of Terms and Alternative Performance Measures on page 15.

|                         | Listed equities % | Unlisted securities † % | Net liquid assets % | Total assets % |
|-------------------------|-------------------|-------------------------|---------------------|----------------|
| <b>30 November 2019</b> | <b>84.1</b>       | <b>13.9</b>             | <b>2.0</b>          | <b>100.0</b>   |
| 31 May 2019             | 87.4              | 10.8                    | 1.8                 | 100.0          |

Figures represent percentage of total assets.

† Includes holdings in preference shares and ordinary shares.

## Income Statement (unaudited)

|  | For the six months ended<br>30 November 2019 |                  |                | For the period from<br>7 February 2018 to 30 November 2018 |                  |                | For the period from<br>7 February 2018 to 31 May 2019 (audited) |                  |                |
|--|--|------------------|----------------|--|------------------|----------------|---|------------------|----------------|
|  | Revenue<br>£'000                             | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000   | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000  | Capital<br>£'000 | Total<br>£'000 |
| Gains on sales of investments                            | –  | 8,133            | <b>8,133</b>   | –  | 758              | <b>758</b>     | –   | 3,003            | <b>3,003</b>   |
| Movement in investment holding gains                     | –  | 14,321           | <b>14,321</b>  | –  | 27,507           | <b>27,507</b>  | –   | 47,861           | <b>47,861</b>  |
| Currency gains   | –  | 283              | <b>283</b>     | –  | 1,025            | <b>1,025</b>   | –   | 1,040            | <b>1,040</b>   |
| Income from investments and interest receivable          | 312  | –                | <b>312</b>     | 406  | –                | <b>406</b>     | 699   | –                | <b>699</b>     |
| Investment management fee (note 3)                       | (981)  | –                | <b>(981)</b>   | (1,048)  | –                | <b>(1,048)</b> | (1,893)   | –                | <b>(1,893)</b> |
| Other administrative expenses                            | (171)  | –                | <b>(171)</b>   | (315)  | –                | <b>(315)</b>   | (359)   | –                | <b>(359)</b>   |
| <b>Net return before finance costs and taxation</b>      | <b>(840)</b>                                 | <b>22,737</b>    | <b>21,897</b>  | <b>(957)</b>   | <b>29,290</b>    | <b>28,333</b>  | <b>(1,553)</b>  | <b>51,904</b>    | <b>50,351</b>  |
| Finance costs of borrowings                              | (261)  | –                | <b>(261)</b>   | (142)  | –                | <b>(142)</b>   | (401)   | –                | <b>(401)</b>   |
| <b>Net return on ordinary activities before taxation</b> | <b>(1,101)</b>                               | <b>22,737</b>    | <b>21,636</b>  | <b>(1,099)</b>   | <b>29,290</b>    | <b>28,191</b>  | <b>(1,954)</b>  | <b>51,904</b>    | <b>49,950</b>  |
| Tax on ordinary activities                               | (38)   | –                | <b>(38)</b>    | (58)   | –                | <b>(58)</b>    | (100)   | –                | <b>(100)</b>   |
| <b>Net return on ordinary activities after taxation</b>  | <b>(1,139)</b>                               | <b>22,737</b>    | <b>21,598</b>  | <b>(1,157)</b>   | <b>29,290</b>    | <b>28,133</b>  | <b>(2,054)</b>  | <b>51,904</b>    | <b>49,850</b>  |
| <b>Net return per ordinary share</b> (note 4)            | <b>(0.48p)</b>                               | <b>9.65p</b>     | <b>9.17p</b>   | <b>(0.69p)</b>   | <b>17.52p</b>    | <b>16.83p</b>  | <b>(1.09p)</b>  | <b>27.54p</b>    | <b>26.45p</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)

|  | At 30 November<br>2019<br>£'000 | At 31 May<br>2019<br>(audited)<br>£'000 |
|--|---------------------------------|---|
| <b>Fixed assets</b>  |                                 |   |
| Investments held at fair value through profit or loss (note 6) | 337,015                         | 296,434                                 |
| <b>Current assets</b>  |                                 |   |
| Debtors  | 98                              | 51                                      |
| Cash and cash equivalents                                      | 7,776                           | 5,952                                   |
|  | 7,874                           | 6,003                                   |
| <b>Creditors</b>   |                                 |   |
| Amounts falling due within one year (note 7)                   | (14,957)                        | (12,508)                                |
| <b>Net current liabilities</b>                                 | (7,083)                         | (6,505)                                 |
| <b>Net assets</b>  | <b>329,932</b>                  | <b>289,929</b>                          |
| <b>Capital and reserves</b>                                    |                                 |   |
| Share capital  | 2,432                           | 2,298                                   |
| Share premium account  | 87,110                          | 68,839                                  |
| Special distributable reserve                                  | 168,942                         | 168,942                                 |
| Capital reserve  | 74,641                          | 51,904                                  |
| Revenue reserve  | (3,193)                         | (2,054)                                 |
| <b>Shareholders' funds</b>                                     | <b>329,932</b>                  | <b>289,929</b>                          |
| <b>Net asset value per ordinary share</b>                      | <b>135.69p</b>                  | <b>126.17p</b>                          |
| <b>Ordinary shares in issue</b>                                | <b>243,155,000</b>              | <b>229,800,000</b>                      |

# Statement of Changes in Equity (unaudited)

## Six months to 30 November 2019

|  | Redeemable preference shares<br>£'000 | Share capital<br>£'000 | Share premium account<br>£'000 | Special distributable reserve<br>£'000 | Capital reserve*<br>£'000 | Revenue reserve<br>£'000 | Shareholders' funds<br>£'000 |
|--|---------------------------------------|------------------------|--------------------------------|--|---------------------------|--------------------------|------------------------------|
| Shareholders' funds at 1 June 2019               | –                                     | 2,298                  | 68,839                         | 168,942                                | 51,904                    | (2,054)                  | <b>289,929</b>               |
| Ordinary shares issued (note 8)                  | –                                     | 134                    | 18,271                         | –                                      | –                         | –                        | <b>18,405</b>                |
| Net return on ordinary activities after taxation | –                                     | –                      | –                              | –                                      | 22,737                    | (1,139)                  | <b>21,598</b>                |
| <b>Shareholders' funds at 30 November 2019</b>   | <b>–</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>               |

## For the period from 7 February 2018 to 30 November 2018

|   | Redeemable preference shares<br>£'000 | Share capital<br>£'000 | Share premium account<br>£'000 | Special distributable reserve<br>£'000 | Capital reserve*<br>£'000 | Revenue reserve<br>£'000 | Shareholders' funds<br>£'000 |
|---|---------------------------------------|------------------------|--------------------------------|--|---------------------------|--------------------------|------------------------------|
| Shareholders' funds at 7 February 2018              | –                                     | –                      | –                              | –                                      | –                         | –                        | –                            |
| Redeemable preference shares issued (note 8)        | 50                                    | –                      | –                              | –                                      | –                         | –                        | <b>50</b>                    |
| Ordinary shares issued (note 8)                     | –                                     | 2,186                  | 224,017                        | –                                      | –                         | –                        | <b>226,203</b>               |
| Redemption of redeemable preference shares (note 8) | (50)                                  | –                      | –                              | –                                      | –                         | –                        | <b>(50)</b>                  |
| Cancellation of share premium (note 8)              | –                                     | –                      | (168,942)                      | 168,942                                | –                         | –                        | –                            |
| Net return on ordinary activities after taxation    | –                                     | –                      | –                              | –                                      | 29,290                    | (1,157)                  | <b>28,133</b>                |
| <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 2019 includes investment holding gains of £62,182,000 (30 November 2018 – gains of £27,507,000).

## Cash Flow Statement (unaudited)

|   | For the<br>six months to<br>30 November<br>2019<br>£'000 | For the period<br>from 7 February<br>2018 to<br>30 November<br>2018<br>£'000 |
|---|--|--|
| <b>Cash flows from operating activities</b>       |  |  |
| Net return on ordinary activities before taxation | 21,636   | 28,191   |
| Net gains on investments                          | (22,454)   | (28,265)   |
| Currency gains                                    | (283)  | (1,025)  |
| Finance costs of borrowings                       | 261  | 142  |
| Overseas withholding tax                          | (38)   | (55)   |
| Changes in debtors and creditors                  | 29   | 267  |
| <b>Cash from operations*</b>                      | (849)  | (745)  |
| Finance costs paid                                | (271)  | (104)  |
| <b>Net cash outflow from operating activities</b> | (1,120)  | (849)  |
| <b>Cash flows from investing activities</b>       |  |  |
| Acquisitions of investments                       | (41,978)   | (232,233)  |
| Disposals of investments                          | 24,219   | 4,729  |
| <b>Net cash outflow from investing activities</b> | (17,759)   | (227,504)  |
| <b>Cash flows from financing activities</b>       |  |  |
| Ordinary shares issued                            | 18,405   | 226,203  |
| Bank loans drawn down                             | 26,298   | 5,380  |
| Bank loans repaid                                 | (23,963)   | –  |
| <b>Net cash inflow from financing activities</b>  | 20,740   | 231,583  |
| <b>Increase in cash and cash equivalents</b>      | 1,861  | 3,230  |
| Exchange movements                                | (37)   | 1,131  |
| Cash and cash equivalents at start of period      | 5,952  | –  |
| <b>Cash and cash equivalents at 30 November</b>   | <b>7,776</b>   | <b>4,361</b>   |

\* Cash from operations includes dividends received in the period of £271,000 (30 November 2018 – £369,000) and interest received of £41,000 (30 November 2018 – £17,000).

## Notes to the Condensed Financial Statements (unaudited)

- 1 The condensed Financial Statements for the six months to 30 November 2019 comprise the statements set out on pages 6 to 10 together with the related notes on pages 11 to 14. 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 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 six months to 30 November 2019 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 period from 7 February 2018 to 31 May 2019.

### 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 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 period from 7 February 2018 to 31 May 2019 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. 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<br>six months to<br>30 November<br>2019<br>£'000 | For the<br>period from<br>7 February 2018<br>to 30 November<br>2018<br>£'000 | For the<br>period from<br>7 February 2018<br>to 31 May 2019<br>(audited)<br>£'000 |
|--|--|--|---|
| <b>4 Net Return Per Ordinary Share</b>                     |  |  |   |
| Revenue return on ordinary activities after taxation       | (1,139)  | (1,157)  | (2,054)   |
| Capital return on ordinary activities after taxation       | 22,737   | 29,290   | 51,904  |
| <b>Total return</b>  | <b>21,598</b>  | <b>28,133</b>  | <b>49,850</b>   |
| <b>Weighted average number of ordinary shares in issue</b> | <b>235,496,148</b>                                       | <b>167,070,439</b>   | <b>188,466,423</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** 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 permissible 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**

|  | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|--|------------------|------------------|------------------|----------------|
| <b>As at 30 November 2019</b>            |                  |                  |                  |                |
| Listed securities                        | 289,095          | –                | –                | <b>289,095</b> |
| Unlisted ordinary shares                 | –                | –                | 5,771            | <b>5,771</b>   |
| Unlisted preference shares*              | –                | –                | 42,149           | <b>42,149</b>  |
| <b>Total financial asset investments</b> | <b>289,095</b>   | <b>–</b>         | <b>47,920</b>    | <b>337,015</b> |

## 6 Fair Value Hierarchy (continued)

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

| As at 31 May 2019                        | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|--|------------------|------------------|------------------|----------------|
| Listed securities                        | 263,914          | –                | –                | <b>263,914</b> |
| Unlisted ordinary shares                 | –                | –                | 3,174            | <b>3,174</b>   |
| Unlisted preference shares*              | –                | –                | 29,346           | <b>29,346</b>  |
| <b>Total financial asset investments</b> | <b>263,914</b>   | <b>–</b>         | <b>32,520</b>    | <b>296,434</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 38 to 40 of the Annual Report and Financial Statements for the period from 7 February 2018 to 31 May 2019. 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 £4,666,000 (31 May 2019 – £2,286,000) were transferred from Level 3 to Level 1 on becoming listed.

- 7 At 30 November 2019 creditors falling due within one year include borrowings of US\$18,000,000 (sterling value £13,916,000) 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 (31 May 2019 – US\$15,000,000 (sterling value £11,901,000)).

|   | 30 November<br>2019<br>Number | 30 November<br>2019<br>£'000 | 31 May<br>2019<br>Number | 31 May<br>2019<br>£'000 |
|---|-------------------------------|------------------------------|--------------------------|-------------------------|
| 8 Share Capital   |                               |                              |                          |                         |
| Allotted, called up and fully paid ordinary shares of 1p each | <b>243,155,000</b>            | <b>2,432</b>                 | <b>229,800,000</b>       | <b>2,298</b>            |

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 with a 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 completion of the Company's initial public offering ('IPO') out of the proceeds of the IPO.

At 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 IPO 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 fund the payment of dividends.

# Notes to the Condensed Financial Statements (unaudited)

## 8 Share Capital (continued)

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 2019, the Company issued a total of 13,355,000 shares (nominal value £133,550, representing 5.8% of the issued share capital at 31 May 2019) on a non pre-emptive basis at a premium to net asset value (on the basis of debt valued at par value), raising proceeds of £18,405,000 (in the period from the IPO, 23 March 2018 to 31 May 2019, the Company issued a total of 56,800,000 shares (nominal value £568,000, representing 32.8% of the issued share capital at 23 March 2018) raising proceeds of £69,597,000), which has been invested in accordance with the Company's investment policy.

Over the period from 30 November 2019 to 20 January 2020 the Company has issued a further 5,430,000 shares at a premium to net asset value, raising proceeds of £7,514,000.

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 27 August 2019. No shares were bought back in the six months to 30 November 2019. At 30 November 2019 the Company had authority to buy back a further 34,941,690 ordinary shares.

- 9 During the period the Company incurred transaction costs on purchases of investments of £7,000 (period 7 February 2018 to 30 November 2018 – £46,000; period 7 February 2018 to 31 May 2019 – £55,000) and transaction costs on sales of £8,000 (period 7 February 2018 to 30 November 2018 – £2,000; period 7 February 2018 to 31 May 2019 – £12,000).

## 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.

## 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 (APM)

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

## Borrowings at Fair Value (APM)

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 (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, 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 debt 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.

## 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, 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.baillieghifford.com](http://www.baillieghifford.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, 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 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.

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 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.

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

## Further Shareholder Information (continued)

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

US Growth 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.

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.

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.

## Third Party Data Provider Disclaimer

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## S&P Index Data

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TJW Burnet

SP Inglis  
GD Paterson

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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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